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The 5th annual report by RIAC, RAS Institute of Far Eastern Studies and the Institute of International Studies at Fudan University presents the common views of leading Russian and Chinese international affairs experts on the development of Russia–China cooperation in 2018 and the first quarter of 2019.

The authors analyze the dynamics of Russia–China interaction on the most pressing matters of international and regional agendas against the backdrop of increasing external pressure. They assess achievements in bilateral trade and economic cooperation as well as military and technological interaction, study ties in education, culture, sports, media and related areas, and the problems they entail. The experts present practical recommendations aimed at bringing the partnership to a new level. For the first time, priority is given to scientific and technological cooperation between Moscow and Beijing, in particular, to the prospects of developing relations in the field of artificial intelligence.

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Introduction

In 2019, the Russian Federation and the People's Republic of China are celebrating the 70th anniversary of the establishment of diplomatic relations between the two countries. In this anniversary year, it is particularly important for the parties to take comprehensive stock of their bilateral relations, assess the achievements and unresolved issues and develop a strategy for further interaction.

The comprehensive partnership and strategic cooperation between Russia and China continued progressively in a wide range of areas during 2018. Bilateral trade reached a record level of \$107 billion. Efforts to diversify the trade turnover are bearing fruit, in particular with regard to the growing trade in agricultural products. The Years of Inter-Regional Cooperation have made it possible to expand Russia–China ties at the level of regions and cities. Growing numbers of young Russian and Chinese people are taking part in youth and academic exchanges. The tourist flow between the countries is on the rise, partly thanks to the 2018 FIFA World Cup in Russia. At the same time, Moscow and Beijing still have a lot of work to do to bring their bilateral partnership to a qualitatively new level – one that meets the needs and matches the capabilities of the two peoples.

Given the turbulent international relations, exacerbated security threats and increasing external pressure, mutual support and coordinated positions on the most pressing issues of the international agenda have taken on a greater importance. These issues range from the prospects of global arms control, supporting the central role of universal multilateral institutions and the inadmissibility of unilateralist and anti-globalist trends in world trade to fighting terrorism and post-conflict rebuilding in such states as Syria.

The two powerful Eurasian states play a special role in ensuring stability in their neighbourhood. Moscow and Beijing must continue to develop common responses to both new and traditional regional security challenges. This work can be done, in particular, through the Shanghai Cooperation Organization (SCO). Linking Russia and China's development strategies and combining their integration and infrastructure projects (the Eurasian Economic Union and the Belt and Road Initiative) will also make a significant contribution to Eurasia's growth and prosperity. The Second Belt and Road Forum held in early 2019 gave this work additional impetus.

Russia–China bilateral collaboration faces even more ambitious tasks. The parties should prioritize the qualitative development of their economic cooperation over quantitative growth. In addition to diversifying the trade turnover and reorienting it towards high-value-added goods and hi-tech commodities, particular attention should be given to transitioning from trade to comprehensive and in-depth cooperation at all stages of development, production and sales. Involving small and medium-sized enterprises in this cooperation is still a priority. Certainly, these issues are impossible to solve without close financial cooperation and without developing the requisite infrastructure and ensuring smooth mutual

payments with due account of the complications stemming from unilateral restrictive measures imposed by third countries.

Today, at the time of a new technological revolution and accelerated technological development, Russia and China cannot ensure their global competitiveness without prioritizing innovations, including those related to artificial intelligence (AI) and the information environment. Combining the potential of Russia and China may allow the two countries to take leading global positions in this area.

Russia and China have a significant amount of work to do to develop their people-to-people ties. Much needs to be done in the way of furthering joint research and educational programmes, training highly skilled professionals in various fields who are fluent in both Russian and Chinese, and boosting the prestige and demand for an education in Russia and China among Chinese and Russian students, respectively. The continued growth of tourist exchanges should be accompanied by improvements in the quality of services across of board and by increasing the awareness of the real situation in both countries. It is important to work on destroying stereotypes that are still present in the minds of both peoples. The active exchange of information via both traditional and new media and the widespread distribution in both countries of classical and contemporary works of art should play a special role in the process.

These ambitious goals cannot be achieved without long-term strategic planning that involves experts, the business community and the general public in both countries in the development of specific and effective practical solutions. The annual report “Russian–Chinese Dialogue: The 2019 Model” prepared by the Russian International Affairs Council (RIAC), the Institute of Far Eastern Studies (IFES) of the Russian Academy of Sciences and the Institute of International Studies at Fudan University, is intended to contribute to achieving this goal. The annual report makes it possible to take regular stock of Russia–China relations and propose practical recommendations for developing cooperation. This Report presents the results of the analysis of the state of Russia–China ties in the second to the fourth quarters of 2018 and the first quarter of 2019.

1. Russia and China: Trends in the Development of the Comprehensive Partnership

2019 is an anniversary year for Russia and China. Two major dates for the countries this year are the 70th anniversary of the founding of the People's Republic of China and the 70th anniversary of the establishment of diplomatic relations between Russia and China. These events are being celebrated against the backdrop of the continuing intensification of the Russia–China comprehensive strategic partnership and the trust-based collaboration between the two countries. The festive nature of 2019 is also linked to a larger historic context: the 400th anniversary of the first official contacts between Russia and China.¹

The visit of President of the Russian Federation Vladimir Putin to Beijing to attend the Second Belt and Road Forum for International Cooperation in April 2019, and President Xi Jinping's planned visit to the St. Petersburg International Economic Forum (SPIEF) in June 2019 confirm both the high level of trust and the strategic nature of the partnership between the two states.

Highlights of the 70 years of Russia–China bilateral relations include the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance signed on February 14, 1950, as well as the USSR's significant financial and technical contribution to the industrial foundations of the new China in the 1950s.² The two countries also went through a period of difficulties that came to an end in 1989.³ In the 2000s, the process of normalizing relations between Russia and China brought them to a higher level of strategic partnership and trusted cooperation. The new relationship was enshrined in the crucial Treaty of Good-Neighbourliness and Friendly Cooperation between the Russian Federation and the People's Republic of China on July 16, 2001, as well as in a series of agreements on border demarcation.⁴

Moscow ranks high in the system of Beijing's strategic priorities. China's current foreign political priorities include three areas: the United States, Russia and Europe.⁵ This course does not contradict the basic principles of Russia–China comprehensive partnership and strategic interaction.

¹ The History of China from Ancient Times until the Early 21st Century. In 10 volumes. S. L. Tikhvinsky, ed. Vol. 5. The Yuan and Ming Dynasties (1279–1644) / A. S. Kadyrbaev, A. A. Bokshanin, eds. Moscow: Nauka, 2016, pp. 522–527 (In Russian).

² Mamaeva, N. L., Sotnikova I. N., Verchenko, A. L. The USSR's Participation in Reconstructing and Building "156 Production Facilities" in the 1950s. New Facts and Circumstances of the Soviet-Chinese Cooperation. N. L. Mamaeva, ed. Moscow: Ves Mir, 2018. 600 p. (In Russian).

³ The normalization of relations started with the visit of Mikhail Gorbachev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, to Beijing in 1989 and the talks he held with the Chinese leaders led by Deng Xiaoping. For more detail, see: The History of China from Ancient Times until the Early 21st Century. In 10 volumes. S. L. Tikhvinsky, ed. Vol. 9: Reforms and Modernization (1976–2009) / A. V. Vinogradov, ed. Moscow: Nauka, 2016, pp. 472–475 (In Russian).

⁴ The History of China from Ancient Times until the Early 21st Century. In 10 volumes. S. L. Tikhvinsky, ed. Vol. 9: Reforms and Modernization (1976–2009) / A. V. Vinogradov, ed. Moscow: Nauka, 2016, pp. 744–751 (In Russian).

⁵ Yi xi jingping wajijiao sixiang wei yinling buduan kaichuang zhongguo tese dago wajijiao xin junian [To Continually Develop the New Image of the Great Power's Diplomacy with Chinese Characteristics on the Basis of Xi Jinping's Diplomatic Ideas] // Qushi, January 1, 2019. URL: http://www.qstheory.cn/dukan/qs/2019-01/01/c_1123923828.htm (In Chinese).

Currently, given the increasing turbulence in international relations, both Moscow and Beijing, while diversifying their bilateral agenda, also actively develop interaction at the global level via the UN institutions, as well as in individual regions that are characterized by a high level of tensions. The coordination of Russia and China's international positions and efforts spans the key issues of today's global development, including the fight against international terrorism, U.S. protectionism and sanctions, and supporting equal relations and non-interference in the domestic affairs of other states.

The globalization and regionalization of the bilateral agenda do not mean that Moscow and Beijing are attempting to restore one of the “poles” of the classical bipolar Cold War system. The Russia–China partnership functions on the basis of expanding joint opportunities to protect the sovereignty of the two countries and bolster their security and co-development. Russia and China agree that there is no need for the strategic partnership to evolve into a military and political alliance right now. At the same time, when prolonging the 2001 Treaty in 2020, the parties will most likely diversify and advance the articles pertaining to interaction (such as consultations) in the event that threats to the national security or territorial integrity of one of the parties, or to the Russia–China partnership in general, emerge.

Since signing the crucial 2001 treaty, Moscow and Beijing have gradually created a series of political advantages that have become real foundations for the established tandem in 2019. These advantages include preserving the freedom of the partners in their relations with third states, the possibility of filling the military-technical and other components of the Russia–China bilateral agenda with “unlimited” content, the positioning of Russia and China as an independent geopolitical force capable of containing potential adversaries, and the rapid adaptation of the partnership to address a particular task in an individual region, be it the Middle East, Latin America or the Korean Peninsula.⁶

The specific features of Russia–China cooperation are related to the coordination of national development strategies and ensuring security. Given the current asymmetry in the economic potential of the two countries, this coordination cannot be a mechanical aggregation of opportunities and resources, but rather an established mechanism of complementarity in which Russia has clear superiority in the military and strategic component and China has clear superiority in economy and technology.⁷ Given the complementary potentials, we can speak about a new quality of the partnership, the strategic stability of the long-term interaction of the two countries.

The internal balance in Russia–China relations is of fundamental importance for the two countries. Russian experts believe that the asymmetry in economic potential negatively affects the balance of the economic and investment agenda on the one hand, and the military and strategic agenda on the other. Military-

⁶ Luzyanin, S.G. *Russia–China: Shaping a Renewed World*. Moscow: Ves Mir, 2018, pp. 83–110 (In Russian).

⁷ *Russian–Chinese Dialogue: The 2018 Model*. Report No. 39/2018 / S. G. Luzyanin, Zhao Huasheng, A. V. Kortunov, et al. Moscow: NPMP RIAC, 2018, pp. 66–85 (In Russian).

technical and strategic cooperation components clearly predominate over the economic component, despite the positive dynamics and the \$107 billion trade turnover in 2018.⁸ Opportunities for balancing the agendas are linked with the need to diversify Russia's exports and with the joint development of the digital economy and high technologies.

Improving the bilateral partnership is also related to setting up mutually advantageous cooperation in Eurasia, including the linking of the Eurasian Economic Union (EAEU) and the Chinese Belt and Road Initiative (BRI), collaboration in the SCO, BRICS, the Asia Pacific Economic Cooperation (APEC) and the Asia-Europe Meeting (ASEM), and deepening cooperation within the trilateral "Russia–Mongolia–China" and "Russia–India–China" (RIC) projects. The opening of rail and road bridges over the Amur River in 2019 and the launch of the Power of Siberia pipeline into China will objectively bring about both quantitative increases in bilateral trade turnover and a qualitative advancement of the Eurasian agenda that is part of the collective economic, integration and transportation development of the Greater Eurasian Partnership against the backdrop of linking the EAEU and the BRI, in which dozens of states, including ASEAN and the EU, are participating. For the states that are participating in the project to link the EAEU and the BRI, and particularly for the EAEU's largest state (Russia), it is important to determine precisely the boundary between mutual advantages and the need to protect particular elements of the national market, which makes expert assessments of this project particularly relevant.

⁸ Current Russia–China Relations are Better than Ever // *Mezhdunarodnaya zhizn*, February 20, 2019.
URL: <https://interaffairs.ru/news/show/21713> (In Russian).

2. Coordinating Foreign Policy Positions. Assessments of the Global Situation

2.1. Global Governance, Globalization Crisis and International Security: Approaches of Russia and China

In 2018, Russia and China continued to search for joint answers to new challenges related to the accelerated transformation of the system of international relations. Given the profound changes in the situation in Eurasia and in the world as a whole, the two major Eurasian powers today hold similar stances. They oppose the fragmentation of international relations and de-globalization and support the ideas of openness, free trade and the key role of international institutions.

Actively cooperating within the framework of the United Nations, Moscow and Beijing strive to boost the central coordinating role of the Organization in international affairs in the face of a progressively unsteady global balance. At the same time, both parties believe it is necessary to preserve the unique UN mechanism that makes it possible to put the ideas of a polycentric world into practice and develop solutions to the most pressing problems on a democratic basis, taking account of different opinions while being guided by the goals and principles of the UN Charter.

In 2018, Russia and China maintained close coordination in the UN and its specialized agencies. Against the background of the continued attempts of the United States to dismantle multilateral cooperation mechanisms (as demonstrated in 2017–2018 by the country's withdrawal from UNESCO and the UN Human Rights Council), Moscow and Beijing continue to view it as their historical mission to preserve the authority and effectiveness of the UN system's institutions. Russia and China proceed from the premise that disrespect for the crucial international institutions is destructive and dangerous, while attempts to put a question mark over the UN's effectiveness may result in the dismantling of the entire architecture of international relations.

On numerous occasions, Russia and China (two permanent members of the UN Security Council) voted together on resolutions affecting fundamental issues of global and regional security. This was particularly evident during the discussion of the situation in Syria. Following the Douma incident, China supported Russia's proposed resolution condemning the strikes delivered by the United States and its allies and demanding that aggression against the Middle Eastern country cease.⁹ The position taken by Russia and China was central to the decision of the UN Security Council in July 2018 to not to put the discussion of human rights in Syria on its agenda.¹⁰ In December 2018, the Russian and Chinese delegations

⁹ UN Security Council Fails to Adopt Russian Resolution on Syria // China Daily, April 15, 2018.
URL: <http://www.chinadaily.com.cn/a/201804/15/WS5ad23e02a3105cdcf65184e2.html>

¹⁰ Russia Blocks U.N. Security Council Meeting on Human Rights in Syria // Reuters, March 20, 2018.
URL: <https://www.reuters.com/article/us-mideast-crisis-syria-un/russia-blocks-u-n-security-council-meeting-on-human-rights-in-syria-idUSKBN1GV2TQ>

abstained during the UN Security Council vote on extending the current mechanism for providing humanitarian aid to Syria for one year. The resolution would leave the mechanism of delivering humanitarian aid to Syrian regions without the approval of Damascus unchanged.¹¹

At the 23rd session of the Conference of the States Parties (CSP) to the Chemical Weapons Convention (CWC), Russia and China proposed a draft decision allowing the preservation of the integrity of the OPCW given the dissent over the attribution mechanism.¹² In connection with the crisis surrounding the Intermediate-Range Nuclear Forces Treaty (the INF Treaty), China voted for Russia's resolution to support the Treaty as the cornerstone of European and international security.¹³ None of the projects received a majority of votes, but this did not discourage Moscow and Beijing in their efforts to achieve effective and universally acceptable solutions in arms control, disarmament and the non-proliferation of weapons of mass destruction.

At the 73rd session of the UN General Assembly, Russia and China advocated the UN Committee on the Peaceful Uses of Outer Space (COPUOS) structuring its activities in such a way as to strengthen international space law and its application, and to tighten regulatory control of space activities in order to ensure the global management of such activities on a truly international basis under the auspices of the UN.¹⁴

Russia and China continued to exhibit similar approaches to reforming global governance both in multilateral venues, primarily in the SCO and BRICS, and in their bilateral contacts. In their Joint Statement adopted after Vladimir Putin's official visit to the People's Republic of China in June 2018, the parties noted that Russia–China interaction is an important factor in maintaining a strategic balance and stability in the world at a time when the international situation is marked by high conflict potential, heightened geopolitical contradictions, an ever shrinking space for constructive interaction and manifestations of economic protectionism.¹⁵

2.2. New Global Economic Order: Approaches of Russia and China

Russia and China demonstrate similar approaches to the development of the global economy amid the threats that protectionism and unilateralism posit for global development, and given the new challenges associated with the changing global technical paradigm.

¹¹ Russia Abstains from Security Council Vote on Aid to Syria Bypassing Damascus // TASS, December 14, 2018.
URL: <https://tass.com/world/1035983>

¹² CSTO Opposes Providing OPCW with Right to Attribute Responsibility for Chemical Attacks // TASS, November 19, 2018.
URL: <https://tass.com/world/1031544>

¹³ UN General Assembly Votes Down Russia-Initiated Draft Resolution in Support of INF Treaty // RIA Novosti, December 21, 2018. URL: <https://tass.com/world/1037428>

¹⁴ Press Statements Following Russian-Chinese Talks // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/events/president/transcripts/57699>

¹⁵ Press Statements Following Russian-Chinese Talks // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/events/president/transcripts/57699>

In his speech at the Plenary Session of the St. Petersburg International Economic Forum, President of the Russian Federation Vladimir Putin stressed that mutual mistrust puts a question mark over the prospects for global growth and could even push the global economy back into its ancient past, into the era of subsistence economy. Alarming trends are obvious even now: “The stability of business ties is undermined. Disintegration processes are gaining in strength. Forms of multilateral cooperation are devalued, and the efficiency of international institutions and agreements is reduced.”¹⁶

Today, globalization of the world economy is facing several major challenges:

The high degree of fragmentation, uneven economic growth and unequal pace of post-crisis recovery; in particular, difficulties with the economic rebound in developed countries have made the development of globalization noticeably more complicated.

The *America First* policy adopted by Donald Trump after being elected as the President of the United States entails unilateralism and the withdrawal from a number of international associations.¹⁷ On the one hand, these measures reflect the problems with the management and the domestic distribution of revenues in developed states in the process of globalization. On the other hand, they negatively affect the globalization of the world economy.

Still, the process of globalization is irreversible, as the world trade is growing steadily, and the international division of labour and international production chains are growing stronger. Macroeconomic interdependence and global capital flows are increasing. New market economies are becoming the engine of globalization. More states are being integrated into the global economy. Technological progress is rapidly evolving, which stimulates globalization. In the future, globalization will entail establishing high-level free trade zones with zero tariffs, zero barriers and zero subsidies, as well as various institutionalized and non-institutionalized forms of economic cooperation in such formats as the Greater Eurasian Partnership and the Belt and Road Initiative.

At the same time, the structure of the global economy is changing. For the first time, the rapid growth of developing economies threatens the dominance of developed western countries. The large-scale development of states with emerging and developing market economies will contribute to a more balanced global development. The transformation of the global economy implies changes to its overall structure and the dynamic diffusion of global economic growth.

It is becoming increasingly important to respond to the dangerous trends that unbalance global governance mechanisms due to the fundamental changes in science and technology – effectively a new technological revolution. Such innovations as AI, Big Data, quantum information and biotechnologies create powerful potential and generate new sectors, formats and models that lead to radical

¹⁶ St. Petersburg International Economic Forum Plenary Session // President of Russia, May 25, 2018.
URL: <http://en.kremlin.ru/events/president/news/57556>

¹⁷ Other Nations Adjust to “America first” Policy // The Denver Post, September 19, 2017.
URL: <https://www.denverpost.com/2018/09/21/donald-trump-america-first-policy/>

changes in global development processes and people's professional activities. Speaking at the World Economic Forum in Davos in January 2019, Vice President of the People's Republic of China Wang Qishan noted that "New technologies bring opportunities, but also create risks and challenges. Every major breakthrough in scientific discovery and technological innovation has greatly boosted human development and progress, but it has also led to the restructuring of value chains, industrial and supply chains, and disrupted the balance in the economy and society and between countries and regions." Wang Qishan believes that the new situation means that "adjustments need to be made to both the economic and social governance of countries and global economic governance."¹⁸

The start of this new stage in the development of the global governance system was brought about by calls to reform this system in market economy countries and the challenges to the multilateral trade order issued by the unilateralist and protectionist policies of the United States. Anti-Russian sanctions and trade tensions between China and the United States threaten the systems of international governance and multilateral trade, as well as the global economic order. International organizations, particularly the World Trade Organization (WTO), the World Bank (WB) and the International Monetary Fund (IMF), need to implement reforms that would reflect the changes in the global economy. In this context, it would be wise for Russia and China to actively participate in reforming the rules of multilateral trade within the World Trade Organization. Reforming the WTO will be a lengthy process. In the future, the parties will have to both resolve the contradictions in the current system and expand the content of trade talks. Institutional reform of the organization is needed. There is an urgent need to improve the effectiveness of decision-making and dispute resolution mechanisms within the WTO. The multilateral rules should take greater account of the interests of developing countries and countries with emerging market economies. At the same time, it would be worthwhile to improve and augment the WTO's Information Technology Agreement (ITA), Agreement on Government Procurement (GPA) and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

China believes that through the Belt and Road Initiative it challenges models of the division of labour and the governance structure dominated by the West, offering instead the concept of common development that involves a "community with a shared future for mankind" and a "development community." Therefore, China faces the problem of being demonized in the western discourse. The international system of the division of labour that has traditionally been centred on Europe and the United States is undergoing major changes. These problems may lead to the development of a new global governance ideology.

The uncertainty of global politics, primarily the unpredictable policies of Donald Trump, present a main risk of 2019. Brexit also attracts pessimistic assessments. These risks will result in even greater fragmentation of the global economic order. Countries being predominantly concerned with their own national interests make it difficult to reduce the corresponding risks. A combination of cooperation and

¹⁸ Full Text of Chinese Vice President's Speech at 2019 WEF Annual Meeting // Xinhua, January 24, 2019.
URL: http://www.xinhuanet.com/english/2019-01/24/c_137771279.htm

confrontation will be the main feature of the global economic order in future. Multilateralism is required to overcome global risks, and international organizations and systems need to speed up the process of implementing reforms. It will be extremely difficult to resolve the contradictions in the global economic system in the short term.

2.3. Relations of Russia and China with the United States in the Changing International Situation

The United States and other western countries continue to intensify sanctions pressure on Russia. At the same time, President of the United States Donald Trump has sharply upped the stakes in his desire to make Beijing agree to a “deal” that benefits his country. The “tariff war” was followed by attacks on the Chinese hi-tech companies ZTE and Huawei. In 2018, large Russian companies, in particular, Rusal, En+ and EuroSibEnergo were subjected to similar intense pressure.

During his 2016 presidential campaign, Donald Trump took a very harsh stance on China. He consistently criticized the Obama administration for its inability to respond to the “challenge of China” and “ceding ground” in trade, economic and military and strategic issues. The future president promised to conduct a harsh policy towards China that could include a sharp increase in import tariffs and imposing sanctions against Chinese companies that “steal American intellectual property.”

However, Donald Trump's first months in the White House showed that his campaign rhetoric cannot be taken literally. Although Trump clearly demonstrated his unwillingness to abide by established traditions of American diplomacy, holding a telephone conversation with the President of Taiwan immediately after his inauguration, his approaches to China proved to be more restrained and elements of continuity with Barack Obama's policies were more significant.

China has exhibited reasonable restraint since the new administration was installed in the United States, avoiding sharp responses to the hostile rhetoric coming out of the White House. The first meeting between the leaders of the two countries in Florida and President Trump's visit to Beijing in November 2017 could be viewed as major successes of Chinese diplomacy. The two leaders have established friendly personal relations. The interests of American companies close to Donald Trump were considered to the greatest possible degree. The President of the United States was received in Beijing at the “imperial level.” The Chinese side tried to damp down the subject of political differences with Washington, avoiding any steps in Southeast Asia that the United States may see as a manifestation of “Chinese expansionism.” Nevertheless, U.S.–China relations started to deteriorate rapidly the following year.

Throughout 2018, the deterioration of relations was influenced by a range of factors, including those that go beyond the bilateral dimension of U.S.–China relations.

First, 2017 demonstrated that the tactics chosen by the new President of the United States of harsh power politics toward the country's international partners

generally proved successful. Despite the warnings of critics that the United States may find itself in international isolation under President Trump, this has not happened. Bilateral trade and economic relations with Japan and South Korea were revised in favour of the United States. Trump's talks with Canada and Japan on new NAFTA terms were also relatively successful. EU countries also failed to properly resist trade pressure from Washington, confining themselves to symbolically raising tariffs on some American goods. It would seem that the Trump administration has a renewed confidence in its powers and has thus decided to use its power politics against the country's largest trade partner, the People's Republic of China.

Second, in 2017–2018, the U.S. economy demonstrated very high positive dynamics (general growth rate, financial markets, employment statistics, etc.) Fears that Trump somehow led the United States to a new economic crisis proved unfounded. The upswing of the U.S. economy contributed to the consolidation of the Trump administration's standing at home and boosted the White House's hope that the United States would withstand the inevitable costs of a large-scale trade war with China. Growing optimism about the near future of the U.S. economy has certainly bolstered the militant sentiments towards Beijing. Additionally, the consensus in Washington today is that China is in a very difficult situation and that decades of pumping loans into the economy make the country vulnerable to American pressure.

Third, in 2018, China's support for the efforts of the United States in its North Korean policies lost some of its significance for Trump. Since early 2018, the White House has steered a course towards prioritizing bilateral U.S.–North Korea talks, which was reflected in the summit in Singapore and the subsequent visits of high-ranking U.S. officials to Pyongyang. To be sure, the North Korean nuclear issue cannot be solved without the active participation of China. However, from the point of view of the Trump administration, this participation is no longer as crucial as it was in 2017. Apparently, the need to have good relations with Beijing in order to succeed on the Korean Peninsula no longer keeps the United States from exerting economic pressure on China.

Fourth, the on-going acute political confrontation between Donald Trump and his domestic adversaries is forcing the President to play the “Chinese card” with increasing frequency in his domestic struggle. If Trump's opponents are still looking for “Russian collusion” in Trump's 2016 campaign, Trump, in turn, claims that the Democratic Party's campaign relied on massive financial support from China and that “Chinese meddling” into the political life in the United States was in any case more significant, more elaborate, and more destructive than the possible “Russian meddling.” Additionally, China is accused of industrial and military espionage, stealing cutting-edge American technologies and undermining the influence of the United States in its traditional “backyard” (in Latin America, for instance). An “image of the enemy” is thus shaped that is gradually acquiring its own logic and dynamics and is beginning to affect foreign policy.

An additional factor that may have had a hand in the increased pressure that the United States is exerting on China is the negative dynamics of bilateral trade in 2017.

According to the Bureau of Economic Analysis of the United States Department of Commerce, the U.S. trade deficit with China was \$375.9 billion in 2017, which is \$28.6 billion more than in 2016. The United States exported goods worth a total of \$130.4 billion into China; while it imported goods worth a total of \$506.2 billion (the United States had a surplus in its trade in services with China).¹⁹

The crucial strategic task for China is to transform the growth model from extensive to intensive. Technological development programmes such as “Made in China 2025” are intended to promote this transformation. Donald Trump and other representatives of the U.S. political establishment have repeatedly criticized this programme, noting that the goal of the trade war is to prevent the transfer of American technologies to China. While the United States believes that China’s industrial policy is intended to gain wealth at the expense of American intellectual property, Beijing is becoming progressively convinced that the purpose of the tariffs is not to eliminate the trade imbalance. On the contrary, increased tariffs constitute an attempt by the United States to contain China’s growth at any cost. Trade wars and ultimatums demanding that China change its industrial policy are accompanied by increased political pressure, primarily in such traditional areas of U.S.–China relations as human rights, Xinjiang, Tibet and Taiwan.

Principal Areas of Applying Pressure: The Economy

The main instrument of American economic pressure on China is the increase in tariffs on Chinese goods imported into the United States. Tariffs were increased in January, and the rise continued through the spring and summer of 2018. On June 15, Trump announced tariffs of 25 per cent on over 1100 commodities worth approximately \$50 billion. These tariffs mainly affect the industrial sector products that contribute to China’s “Made in China 2025” technological programme aimed at developing aviation and aerospace technologies, information and communication technologies, robotic engineering, industrial equipment, advanced materials and automobiles. Beijing retaliated in kind by introducing a tariff of 25 per cent on 569 American commodities (including automobiles and medical equipment) also worth \$50 billion. Like the American tariffs, the Chinese charges went into effect on July 6, 2018.²⁰

This allowed Chinese leaders (Wei Jianguo) to talk about the start of a trade war between the two states. Another tariff hike was slated for January 1, 2019. The United States planned to raise the duty on imports of agricultural goods to 25 per cent, a move that would bring in \$200 billion. However, on December 1, 2018, Donald Trump and President of the People’s Republic of China Xi Jinping agreed on a 90-day moratorium on tariff increases. During that time, China undertook to significantly increase (the exact numbers are not known) imports of American agricultural and industrial goods. The countries had 90 days to plan and to conclude a trade agreement. Failure to conclude an agreement in that

¹⁹ What the China–U.S. Economic Confrontation Will Mean for Russia // RBC, June 21, 2018.
URL: <https://www.rbc.ru/newspaper/2018/06/21/5b28c7969a79475346d74b2b> (In Russian).

²⁰ What the China–U.S. Economic Confrontation Will Mean for Russia // RBC, June 21, 2018.
URL: <https://www.rbc.ru/newspaper/2018/06/21/5b28c7969a79475346d74b2b> (In Russian).

time frame would mean the United States would increase the tariffs as planned. Although the agreed moratorium term has expired, negotiations continue. Media reports suggested that the agreement may be signed in May 2019.²¹ In mid-May, there were reports that the negotiations had hit yet another rough patch: on May 10th, Washington raised tariffs from 10 per cent to 25 per cent on goods worth approximately \$200 billion; in response, China announced new tariffs that would come into effect June 1 on imports from the United States worth \$60 billion.²²

Russia and China should respond to challenges together and bolster bilateral economic ties to counter pressure from the United States. In connection with the mounting wave of U.S. sanctions and protectionist measures, joint Russia–China documents note that the two countries will oppose unilateral economic sanctions adopted in circumvention of the UN Security Council, as well as blackmail and pressure tactics that violate the principles of fair and honest competition and damage the global economy.²³ China's trade war with Washington objectively raises the former's interest in instituting an alternative payment mechanism and reducing the dollar's role in global finances, which also means additional opportunities for Russia–China cooperation. Russia's objective is to ensure that the exacerbation of trade and economic relations between the United States and China is not taken as a “godsend” that justifies a reduction of efforts to improve efficiency and diversify and deepen Russia–China economic cooperation.

Economic cooperation between Russia and China does not mean abandoning all ties with the West. Neither Russia nor China can ignore the role that western markets, capital and technologies play in ensuring economic security and development. Yet, through cooperation, they may expand their economic interests and make up for the losses. Chinese experts believe that the U.S. sanctions threaten Russia's economic security in capital, markets, and technologies. The trade war is a challenge to China in economic, energy, and food security. It is in these specific areas that Moscow and Beijing could boost their cooperation. From the point of view of China's energy security, Russia holds an extremely important position and may provide China with certain assistance in food and market security. In turn, China could provide Russia with the capital required to build the necessary infrastructure and for the strategic exploration of resources. Given the U.S. sanctions and the trade war, the level of Moscow and Beijing's regional cooperation in Eurasia, the Asia Pacific and Northeast Asia will increase, as will cooperation in investment and division of labour in future production chains.

Principal Areas of Applying Pressure: Security

U.S. pressure on Beijing in the security sphere will presumably develop simultaneously in several interrelated areas. First, the arms race will intensify in

²¹ U.S. and China May Sign Trade Agreement in May // Kommersant, April 18, 2019.
URL: <https://www.kommersant.ru/doc/3947039> (In Russian).

²² China Vows to Fight 'to the end' as It Raises Tariffs on US\$60 Billion of US Goods in Trade War Escalation // South China Morning Post, May 13, 2019.
URL: <https://www.scmp.com/news/china/diplomacy/article/3010055/china-raise-tariffs-us60-billion-us-goods-june-1>

²³ Joint Statement of the Russian Federation and the People's Republic of China // President of Russia, June 8, 2018.
URL: <http://kremlin.ru/supplement/5312> (In Russian).

order to preserve the unconditional supremacy of the United States over China in the Asia Pacific (we are talking primarily about the naval rivalry here). The main objective of the United States is to retain control over the main lines of communication in the Pacific.

Second, steps will be taken to devalue China's nuclear potential, including by expanding the United States' missile defence capabilities and creating new precision-guided delivery vehicles capable of delivering a global prompt strike against China's nuclear facilities. Some experts believe that the United States has suspended its participation in the INF Treaty not so much because of Russia's alleged violations of the Treaty as because of China's efforts to build missiles covered by the Treaty.

The latest edition of *Missile Defense Review* names Russia and China as full-fledged sources of a missile threat to the United States.²⁴ The document talks directly about launching work on a missile defence system specifically aimed at fighting strategic nuclear weapons systems that are beyond the capabilities of Iran and North Korea and are possible only for Moscow and Beijing. Additionally, a report of the Congressional Research Service published in December 2018 calls upon the White House to take steps to counteract Moscow and Beijing should they use AI weapons. The document states that Russia and China pay little regard to the ethical aspect of using artificial intelligence in combat operations and will not hold off from using AI weapons aggressively.

Third, the United States will steer a course to strengthen bilateral and multilateral alliances in the Pacific and in the Indian oceans. The main objective is to expand military-political cooperation with India (going as far as creating a formal U.S.–India military political alliance to which New Delhi is unlikely to agree). In addition, the United States will inevitably make efforts to mobilize its other allies (Japan and Australia) and partners (Vietnam) in order to contain China geopolitically and consolidate relevant multilateral mechanisms (the Quad comprising the United States, Australia, Japan and India), although the practical outcome of these efforts will mostly likely be limited.

Fourth, China and the Chinese People's Liberation Army may become the target of a variety of U.S. sanctions. The arrest in Canada of Meng Wanzhou, the daughter of the founder and CEO of Huawei, was an alarming precedent. The hearing to extradite her to the United States is now underway, and she may be convicted of violating the sanctions against Iran.²⁵ The arrest warrant for Meng Wanzhou was signed before trade truce was announced in Argentina. Most likely, she would have been arrested regardless of the outcome of the meeting between Donald Trump and Xi Jinping at the G20 Summit; however, this arrest clearly complicates the search for a trade compromise. U.S. legislation allows for the arrest and criminal prosecution of foreign citizens, but this particular legislation is very rarely applied; a fine is the standard procedure. However, regarding Huawei,

²⁴ Missile Defense Review 2019 // U.S. Department of Defense. URL: https://www.defense.gov/Portals/1/Interactive/2018/11-2019-Missile-Defense-Review/The%202019%20MDR_Executive%20Summary.pdf

²⁵ Huawei's Meng Wanzhou Sues Canada Authorities Over Arrest // BBC News, March 4, 2019. URL: <https://www.bbc.com/news/world-us-canada-47436497>

the United States both chose the harshest option possible and tied its actions to national security interests.

In September 2018, in relation to S-400 anti-aircraft systems and Su-35 fighters deliveries to China, the United States Department of the Treasury put the Equipment Development Department of the Central Military Commission of the People's Republic of China and its Director Li Shangfu on its sanctions list (making their assets in U.S. jurisdiction liable to be frozen).

Fifth, displays of military power could be expected on the part of the United States in areas that are particularly sensitive for China. For instance, before the meeting between Donald Trump and Xi Jinping at the G20 Buenos Aires summit, the United States conducted two operations in disputed waters. On November 26, 2018, the U.S. Ticonderoga-class guided-missile cruiser USS *Chancellorsville* conducted a navigation operation in the vicinity of the disputed Paracel Islands in the South China Sea. On November 28, the Arleigh-Burke class guided-missile destroyer USS *Stockdale* and the *Pecos* replenishment vessel of the Military Sealift Command passed through the Taiwan Strait. This was the third display of support for Taiwan in 2018 after naval vessels passed through the same waters in July and October.²⁶

The exacerbation of U.S.–China relations in security issues objectively prompts Russia and China towards closer bilateral cooperation. For the first time in many years, Russian experts close to the authorities have started to talk about the desirability of concluding a military-political alliance with Beijing, although officially this idea has not been voiced. In practical terms, the discussion will most likely focus on expanding joint military exercises (including drills held at remote theatres of operations), increasing contacts between the ministries of defence of the two countries, and sharing intelligence on the intentions and plans of the United States. Most likely, the matter of further advancing military-technical cooperation will also be raised, as well as the matters of speeding up the transition from supplying Russian weapons to China to engaging in joint research and development and production. Russian and Chinese defence industry manufacturers could jointly enter the markets of third countries.

Russia and China will jointly counteract the American strategy of creating the anti-Chinese “Indo-Pacific.” However, Moscow will be restricted in this cooperation by the possible negative consequences that further rapprochement with China will have for Russia's traditionally friendly relations with such countries as India and Vietnam. In some cases, the task of overcoming possible conflicts of interest could be resolved through multilateral institutions (BRICS, RIC, SCO, etc.).

It would be wise for Moscow to offer its Chinese partners closer cooperation in international security organizations (primarily the UN Security Council), as well as expanding the existing mechanisms for bilateral consultations on crisis situations in various regions of the world. Russian experts believe that, at some stage, it will be necessary to posit the question of creating a mechanism for trilateral

²⁶ Washington Puts Pressure on Beijing before the G20 Summit // Regnum, December 3, 2018.
URL: <https://regnum.ru/news/2530545.html> (In Russian).

Russia–China–U.S. consultations on nuclear stability. We should not expect quick results from such consultations, yet this format would serve to improve the global stability and predictability of the nuclear strategies of the world's three leading military powers.

Principal Areas of Applying Pressure: Social and Academic Cooperation

U.S.–China differences span an increasingly wide range of areas. Firstly, new restrictions are being imposed on Chinese students studying in the United States, even though the United States receives approximately \$14 billion annually from over 360,000 Chinese students studying in the country. Secondly, joint scientific and innovative projects in sensitive areas are being scaled back. Thirdly, the anti-Chinese propaganda campaign is gaining momentum in the U.S. media. An “image of the enemy” is being purposefully formed in the U.S. society with China being depicted as a despotic authoritarian regime that systematically violates human rights and the rights of minorities, creates multiple threats for its neighbours, ruthlessly exploits the countries of Africa and Latin America, etc. Human rights issues are once again becoming an area of conflict in U.S.–China relations, even though Donald Trump had previously distanced himself from such policies of previous administrations. It is telling that, in 2018, several American lawmakers were actively discussing sanctions against Chinese officials in connection with the country's policy in the Xinjiang Uyghur Autonomous Region. The sanctions would be based on the so-called Magnitsky Act (the Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law Accountability Act of 2012). The United States launched two campaigns on similar grounds: one against Russia's “hybrid war” intended to destroy western liberal institutions, and another against China's “influence operations” and intellectual property theft. The campaigns are based on reviving and exploiting Cold War phobias; their main goals are to discredit the political regimes of Russia and China and exert non-competitive pressure on Russian and Chinese businesses.

Russia cannot replace the United States as the chief social and humanitarian partner. However, Washington's restrictive measures create certain additional opportunities, for instance, in the development Russia–China scientific and innovative partnerships, attracting Chinese students to Russian universities, etc. Today, it is particularly important for Russia to work on how it is perceived in China. Russia needs to create an image of a modern, dynamic society that is well-disposed towards China. China's active and ambitious educated urban youth are a particularly important target audience, as today they mostly look to the United States.

The American Factor in the Russia–China Partnership

As expected, the increased pressure on Russia and China failed to isolate the two states and served only to strengthen the Russia–China partnership. It also opened new opportunities for rapprochement and mutually advantageous projects implemented in cooperation. Nonetheless, as Russian officials rightly note, joint resistance to pressure from Washington is not a special factor strengthening

Russia–China friendship.²⁷ The opinion exists in Chinese academic circles that the bilateral cooperation is sensitive to U.S.–Russia relations. According to it, the Russia–China partnership is based on joint responses to the strategic threat posed by the United States. In case the United States reduces strategic pressure on Russia, the level of bilateral relations would also be reduced. However, important though the American factor may be, it is neither the core, nor the content of the bilateral relations. Even if the strategic threat that the United States presents for Russia is scaled back, Moscow and Beijing will still adhere to similar views on the world order, and the need to cooperate to maintain international and regional security will remain. Under the new circumstances of increasing external turbulence, the solid foundation of Russia–China bilateral relations, their self-sufficiency and self-worth, as well as their not being directed at a third country cannot be cast into doubt.

Although a U.S.–China alliance is not in Russia's interests (even if the prospect of such an alliance is only hypothetical today), Russia is even less interested in the uncontrolled escalation of tensions between the two countries. Firstly, Moscow cannot act as a balancer or an arbiter in U.S.–China relations. Secondly, the spiralling confrontation between the United States and China and the emergence of a new bipolarity in international relations creates a host of additional political and economic risks for Russia, while promising only insignificant tactical advantages in exchange. The ability of Moscow to influence the dynamics of U.S.–China relations are limited, and it would be appropriate for Moscow to mitigate the contradictions between the United States and China where possible, instead of exacerbating them.

In the future, relations within the strategic Russia–China–U.S. triangle may follow several scenarios. The most favourable scenario is the triangle constituting a mechanism of trilateral cooperation, instead of a system of checks and balances, but this appears to be an impossible ideal. This does not mean, however, that cooperation is totally absent from Russia–China–U.S. relations. However, this cooperation is only tactical, technical or fragmentary. The probability of Russia and the United States developing strategic cooperation in order to balance China is also low. This scenario has three main limitations: U.S.–Russia relations are at a low point; the Russia–China partnership is stable; and the specific features Russian diplomacy has. The third scenario entails China and the United States forming a “G2,” with Beijing and Washington jointly managing the world order.²⁸ The probability of this scenario is also very low, since China advocates the development of multipolarity and is against the leading global role of individual states. The possible improvement of U.S.–China relations should not affect Russia–China relations; the idea of bolstering U.S.–China relations by sacrificing Russia–China relations is erroneous. The fourth and most likely scenario is the continuation of current cooperation trends in the Russia–China–U.S. triangle. It would be a grave strategic error for Russia and China to weaken their strategic

²⁷ Interview with Alexander Venediktov, Aide to the Secretary of the Security Council of the Russian Federation // Security Council of the Russian Federation, December 19, 2018. URL: <http://www.scrf.gov.ru/news/allnews/2522/> (In Russian).

²⁸ The United States and China: a G-2 in the Making? // Brookings, October 11, 2011. URL: <https://www.brookings.edu/articles/the-united-states-and-china-a-g-2-in-the-making/>

partnership. Finally, the fifth scenario entails Russia and China becoming allies or forming a quasi-alliance. Since both countries traditionally advocate non-alignment, the only way an alliance will be formed is if a full-blown confrontation in Russia–China–U.S. relations breaks out, and such a development is not very likely. At the same time, a possible significant deterioration in the security situation may push Moscow and Beijing further towards a military rapprochement in the future and may result in the two countries forming an enhanced strategic partnership or a quasi-alliance based not on a binding agreement, but on a political consensus or a “gentlemen’s agreement.” A quasi-alliance may become a new concept of inter-country relations, a construct that is somewhere between an alliance and non-alignment and allows the parties to benefit from the advantages of both an alliance and non-alignment while simultaneously avoiding the drawbacks of both systems.

The Russia–China–U.S. triangle is an objective reality. China does not support the perception of the “Great Triangle” in the Cold War logic, does not take part in “zero-sum games” and does not strive for confrontation with a particular country. Beijing, however, is able to rationally, efficiently, and constructively utilize the trilateral framework for advancing diplomatic initiatives, increasing strategic resources, resolving conflicts between great powers, maintaining strategic stability and promoting the establishment of a new world order.

2.4. Russia–India–China Triangle: How to Move Forward?

The Development of China–India Relations

In February 2018, the Chinese and Indian authorities set out to create a constructive atmosphere in their bilateral relations in order to minimize the negative consequences of the confrontation between Chinese and Indian border guards in Doklam (Donglang in Chinese) that took place in June–August 2017.²⁹ On April 27–28, 2018, the first informal China–India summit was held in Wuhan.³⁰ The meeting strengthened cooperation between the leaders of the two countries and advanced the strategic trust between the two states. The parties discussed cooperation in Afghanistan in the “China–India Plus” format, with the prospect of subsequently expanding their joint activities.³¹ They also decided to bolster the development of economic relations in the Bangladesh–China–India–Myanmar (BCIM) format and develop joint responses to global changes.³² In the course of preparing and holding the Wuhan summit, important mechanisms of communication and cooperation between China and India were restored. Travel of officially organized groups of Indian pilgrims across the Nathu La mountain pass

²⁹ India and China are on the Brink of War // Kommersant, July 28, 2017.
URL: <https://www.kommersant.ru/doc/3368305> (In Russian).

³⁰ India-China Informal Summit at Wuhan // Ministry of External Affairs of India, April 28, 2018.
URL: https://mea.gov.in/press-releases.htm?dtl/29853/IndiaChina_Informal_Summit_at_Wuhan

³¹ India, China Begin First Joint Afghan Project // India Today, October 16, 2018.
URL: <https://www.indiatoday.in/india/story/india-china-begin-first-joint-afghan-project-1368738-2018-10-16>

³² ‘China-India Plus’ Plan Set in Motion with Joint Training for Afghan Diplomats // CGTN, October 19, 2018.
URL: https://news.cgtn.com/news/3d3d674e7a51544f7a457a6333566d54/share_p.html

into Tibet was resumed,³³ and China returned to the practice of providing India with statistics on flooding seasons on the Yarlung Tsangpo (Brahmaputra) River.³⁴

In 2018, the following intergovernmental dialogue mechanisms and consultations were restored or launched: the working mechanism for consultation and coordination on the Sino–Indian border; the bilateral consultative mechanism on military issues; the dialogue mechanism in maritime security; and the China–India mechanism for high-level humanitarian exchanges.³⁵ The 21st Meeting of the Special Representatives of India and China on the Boundary Question and the first China–India high-level meeting on law enforcement and security were held.³⁶ The resumption of military exchanges between China and India is of particular importance.³⁷ In December 2018, the parties successfully held the “Hand-in-Hand 2018” joint anti-terror exercise in Chengdu (China).³⁸ Additionally, Beijing and New Delhi took the first steps to mitigate the trade deficit, eliminate differences on the BRI, and to resolve other issues. 2018 marked the first time that India had attended the SCO summit (held in Qingdao) in its new status as a full member, which also indirectly contributed to the resumption of China–India relations.³⁹

Overall, China–India relations are developing towards a gradual warming; nonetheless, uncertainty remains in the process of “restarting” the relations. Doubts still linger as to whether Narendra Modi’s government adjusting its Chinese policies in 2018 was a strategic step or a tactical manoeuvre in view of the upcoming elections in India. Chinese experts directly link the continuation of the process of relaunching relations with Narendra Modi staying in power after the 2019 elections.

In the medium term, there are still major obstacles blocking the stable development of China–India relations, primarily the lack of mutual strategic trust. The positions of China and India on global matters largely coincide, and the parties may form a common stance on many issues. On the regional level, China and India have few common interests, and they either overtly or covertly compete for areas of influence, even though China has no influence on India’s dominance in South Asia. The issues in bilateral relations are complicated and sensitive; historical contradictions appear to be impossible to settle in the short term.

³³ First Organized Group of Indian Pilgrims of 2018 Arrive in Tibet // Rambler, June 21, 2018.

URL: <https://news.rambler.ru/other/40149867-v-tibet-pribyla-pervaya-v-2018-godu-organiz> (In Russian).

³⁴ China Begins Sharing Data on Brahmaputra, Sutlej Rivers // The Economic Times, June 10, 2018.

URL: <https://economictimes.indiatimes.com/news/politics-and-nation/china-begins-sharing-data-on-brahmaputra-sutlej-rivers/articleshow/64527287.cms>

³⁵ India, China Explore CBMs and Cooperation among Armed Forces for Stability along Border // The Economic Times, March 22, 2018. URL: <https://economictimes.indiatimes.com/news/defence/india-china-explore-cbms-and-cooperation-among-armed-forces-for-stability-along-border/articleshow/63418743.cms>

³⁶ The 21st Meeting of the Special Representatives of China and India on the Boundary Question Achieves Important Consensus // Ministry of Foreign Affairs of the People’s Republic of China, November 25, 2018.

URL: https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1616587.shtml

³⁷ Chinese Defense Minister to Visit India // China Military Online, August 21, 2018.

URL: http://eng.chinamil.com.cn/view/2018-08/21/content_9258810.htm

³⁸ PLA Daily: Top Ten Highlights of China’s Military Diplomacy 2018 // Renmin Ribao Newspaper Online, December 22, 2018.

URL: <http://en.people.cn/n3/2018/1222/c90000-9531056.html>

³⁹ SCO Members Determined to Fight Terrorism, Corruption, and Drug Trafficking // TASS, June 10, 2018.

URL: <https://tass.com/world/1009032>

The increasing regional rivalry of the two countries is one of the most pressing problems. As of 2018, China is the largest trade partner of India, Pakistan, Bangladesh, the Republic of Maldives and Myanmar, and the second-largest trade partner of Nepal and Sri Lanka.⁴⁰ China has become a crucial source of foreign capital in South Asia.⁴¹ With the advancement of the BRI into South Asia from 2013, China has become a major investor into the region's infrastructure, particularly in Pakistan, Bangladesh, the Maldives, Sri Lanka and Nepal, where several major projects are being either implemented or developed.⁴² The BRI's rapid advance has India concerned about the increasing centrifugal trends among the small states of South Asia that have traditionally acknowledged India's dominance in the region. At the same time, becoming the world's third-largest exporter of weapons in 2017,⁴³ China has turned into a major supplier of weapons to India's neighbouring countries: Pakistan, Bangladesh, Sri Lanka, and Myanmar.⁴⁴

When Donald Trump came to power in the United States, the international situation transformed, giving China and India room to strengthen their strategic partnership. Both China and India advocate globalization and the principle of open development, and they both strongly condemn trade protectionism.⁴⁵ Such a position provides strategic foundations for maintaining the current world order. At the same time, the positive factors in long-term development of China–India relations are preserved. China and India have similar national characteristics, and their historical development trajectories have much in common. For instance, the Indian film *Dangal* (released in China as *Let's Wrestle, Dad*) was popular in China.⁴⁶ The upswing of the Indian economy requires that China–India economic cooperation be advanced. Recently, Chinese capital has been actively used to finance India's technological start-ups. For instance, the solar power industry in India is relatively competitive, while about 90 per cent of solar panels are supplied by China.⁴⁷ Assembling Chinese cell phones in India could contribute to the rapid development of India's telecommunications industry. Some famous Indian start-ups, in particular, Paytm and Flipkart, use Chinese capital.⁴⁸ Ola, an

⁴⁰ South Asia Trade at a Glance: Most Recent Values // World Integrated Trade Solution.
URL: <https://wits.worldbank.org/countrysnapshot/en/SAS/textview>

⁴¹ Who Dominates the Economies of South-East Asia? // Financial Times, May 1, 2018.
URL: <https://www.ft.com/content/898fa38e-4882-11e8-8ee8-cae73aab7ccb>

⁴² China's Vision for the Belt and Road in South Asia // The Diplomat, March 2, 2019.
URL: <https://thediplomat.com/2019/03/chinas-vision-for-the-belt-and-road-in-south-asia/>

⁴³ Weapons Sales are on the Rise – Here are the Top 10 Countries Exporting Arms around the World // Business Insider, March 16, 2018. URL: <https://www.businessinsider.com/top-countries-exporting-weapons-arms-sales-2018-3>

⁴⁴ Major Exporters of Arms and Their Buyers // Voennoye Obozreniye, April 26, 2017.
URL: <https://topwar.ru/114321-krupneyshie-eksportery-vooruzheniy-i-ih-pokupateli.html> (In Russian).

⁴⁵ Dago kaifang fazhande zhongguo jingyan [The Chinese Experience of the Open Development of States] // Renminwang, September 5, 2018. URL: <http://theory.people.com.cn/n1/2018/0905/c40531-30272603.html> (In Chinese).

⁴⁶ China's Greatest Box Office Hits. Dangal is Bollywood's Greatest Box Office Hit in China // ChinaPK, May 14, 2017.
URL: <http://chinapk.ru/samy-e-kassovye-filmy-kitaya-dangal-samyj-kassovyj-bollivudskij-film-v-kitae/> (In Russian).

⁴⁷ China's Big Push for Solar Energy // IDSA Issue Briefs, December 31, 2018.
URL: <https://idsa.in/issuebrief/china-big-push-for-solar-energy-cpurushothaman-31121>

⁴⁸ Tencent: China's Online Giant Jumps into India's E-Commerce Frenzy // Quartz India, April 11, 2017. URL: <https://qz.com/india/954620/flipkarts-1-4-billion-funding-chinas-online-giant-tencent-jumps-into-indias-e-commerce-frenzy/>

Indian company that competes with Uber on the country's automotive market, is financed by China's Tencent.⁴⁹ Having supported the Asian Infrastructure Investment Bank (AIIB) founded by China at the early stages of its development, India has become its major beneficiary.⁵⁰

However, the interaction between the two countries on global issues has gradually weakened in recent years. This might be attributed, among other things, to a decrease in the dynamics of discussions on climate change, the suspension of the Doha round of WTO talks, the successful founding of the BRICS New Development Bank, the agreements on the pool of BRICS provisional reserve currencies. Bilateral contradictions, primarily in the economic sphere, are mounting. The parties have also failed to achieve significant progress in settling territorial disputes and other sensitive issues.

Today, China–India relations need to be restructured and developed. The previously established strategic foundations of China–India interaction are weakening, and new points of contact are required to stabilize cooperation. The Russia–India–China trilateral format may contribute to solving this task.

Trilateral Interaction

On December 1, 2018, an attempt was made on the sidelines of the G20 Summit in Buenos Aires to revitalize the mechanism of Russia–India–China trilateral cooperation and resume the practice of holding regular trilateral summits after a twelve-year hiatus. According to Vladimir Putin, these meetings should prioritize various aspects of security and the fight against protectionism and politically motivated restrictions in international trade. Developing the ideas of the President of the Russian Federation, Prime Minister of India Narendra Modi outlined four possible areas of joint work: regional and global stability, economic prosperity, exchanging experience in areas of mutual interest and cooperation in responding to emerging challenges. Similar ideas were voiced by President of the People's Republic of China Xi Jinping, who emphasized the special responsibility of the three powers for maintaining regional and global stability.⁵¹

Recently, RIC has been overshadowed by the more representative five-party format that includes Brazil and South Africa (BRICS). Without belittling the international significance of the latter two states, it should be noted that geographical expansion of RIC to BRICS involved its own institutional costs; the countries on other continents had their own objectives and priorities that differed from the agenda of the initial Eurasian participants. The victory of the ultra-right-wing “Brazilian Trump”, Jair Bolsonaro in the 2018 presidential elections has raised many questions concerning the future of the five-party structure. In any case, entirely “dissolving” RIC within BRICS could be a grave miscalculation.

⁴⁹ Ola, India's Ride-Hailing Leader, Raises \$1.1 Billion to Fight Uber // NY Times, October 11, 2017.
URL: <https://www.nytimes.com/2017/10/11/technology/ola-india-uber.html>

⁵⁰ AIIB Makes Its First Loan to India, the Bank's Second Largest Shareholder // The Diplomat, May 17, 2017.
URL: <https://thediplomat.com/2017/05/aiib-makes-its-first-loan-to-india-the-banks-second-largest-shareholder/>

⁵¹ Kortunov, A. Heartland Reunited // Expert Online, February 5, 2019.
URL: <http://expert.ru/2019/02/6/vossoedinenie-hartlanda-geopoliticheskaya-himera-ili-istoricheskij-shans/> (In Russian).

It would be wise to shape an effective mechanism for meetings between the leaders of Russia, China and India. Most likely, in the near future, trilateral summits will be held on the sidelines of larger multilateral events (summits of G20, BRICS, SCO, ASEM, etc.). Given the uncertain international situation, heads of state play a special role. Recently, President of the People's Republic of China Xi Jinping and Prime Minister of India Narendra Modi held bilateral meetings on the sidelines of the summits of the SCO, BRICS and G20 to ensure that China–India relations would not deteriorate. If, however, the leaders limit themselves to brief periodical meetings stating their identical positions, or even to signing general political declarations, this format will not significantly contribute to consolidating the Eurasian space. It is necessary to openly articulate existing differences on Eurasia's most pressing problems. At the same time, given the inevitable brevity of trilateral summits, it is necessary to ensure that the issues raised at the summits should be carefully worked through in advance by experts and relevant ministries using track 1.5 and track 2 diplomacy, leading to the development of specific “road maps.” Establishing a standing trilateral mechanism of consultations between the militaries and holding regular trilateral military exercises would also appear to be a topical objective that would make an important contribution to solving the trust problem between the militaries of China and India.

The primary task for the three states is to enhance confidence on matters of regional security and stability. Eurasia has several threats that are both a common challenge and a reason for the three countries to cooperate. The political dialogue could be started by discussing problems that are of great importance for all three participants, such as the future of Syria and Afghanistan. Working through individual functional aspects of shaping the Eurasian space (the joint fight against terrorism, managing migration flows, food and energy security, issues in international information exchange and AI development) appears to be of no lesser significance. India and China are observer states in the Arctic Council. As a leading member of this organization, Russia could propose holding joint discussions of Arctic issues with its partners so that none of them could have any suspicions concerning Moscow's “pro-Chinese” or “pro-Indian” stance on these matters.

It would be wise to establish links within the framework of RIC between interconnected projects of Russia, China and India in Eurasia. China and Russia have already achieved a consensus on linking the Eurasian Economic Union and the complementary Belt and Road Initiative. India cannot accept the Chinese project; however, the “China–India Plus” cooperation model was agreed upon at the Wuhan summit.⁵² The countries have also initiated interaction in Afghanistan. Narendra Modi's government joined the International North–South Transport Corridor and signed an agreement with Iran on commodities transit through Iran's south-eastern port of Chabahar.⁵³ In February 2018, India acceded to

⁵² ‘China–India Plus’ Plan Set in Motion with Joint Training for Afghan Diplomats // CGTN, October 19, 2018. URL: https://news.cgtn.com/news/3d3d674e7a51544f7a457a6333566d54/share_p.html

⁵³ Iran, India, and Afghanistan Signed an Agreement on Transfer of Commodities Via the Chabahar Port in Iran // Iran.Ru, October 24, 2018. URL: https://www.iran.ru/news/economics/111400/iran_Indiya_i_Afganistan_podpisali_soglashenie_o_tranzite_tovarov_cherez_iranskiy_port_Chabahar (In Russian).

the Ashgabat Agreement, supporting the construction of the Turkmenistan–Afghanistan–Pakistan–India (TAPI) Pipeline.⁵⁴ It would also be expedient for China to engage in trilateral cooperation in energy. An oil and gas alliance had been discussed previously, but there has been no progress in this area so far.⁵⁵ Since China and India are becoming increasingly dependent on global energy sources and Russian oil exports face new pressure, the probability of advancing trilateral cooperation in this area is growing. The three states should develop a pragmatic linking of their strategies. The only way to truly further cooperation is through the realization of the unifying potential of aligning and integrating strategic and economic interests.

The three countries should also promote the peaceful settlement of India–Pakistan differences via the SCO, thereby advancing the SCO’s role in regional security and regional economic development.

A more active trilateral interaction on issues that go beyond the geographical boundaries of Eurasia would be a major stimulus including the future of multilateral arms control, the reform of the UN, the WTO and other global organizations, the development of international public law in the 21st century. Other avenues of interactions would also include climate change and environmental challenges, and the management of technological progress. The united stance of Russia, China and India on these and many other issues will be of greater significance than their positions taken separately.

There remains a common desire among all members of this format to strengthen the coordination of their positions on key global problems. Following a meeting of the foreign ministers of Russia, India and China in Wuzhen on February 27, 2019, the three countries expressed concern over the continuing unbalance of the multilateral trade system, growing protectionism, the start of “trade wars” and the expansion of unlawful unilateral economic sanctions in circumvention of the UN Security Council.⁵⁶

The interest of Moscow, New Delhi and Beijing in cooperating within RIC is linked to their identical or similar positions on a wide range of issues related to strengthening international law and the multilateral foundations of the contemporary world order. The trilateral interaction is steadily acquiring a global dimension and is not confined solely to the Eurasian agenda, as evidenced by the wide range of issues that the ministers of foreign affairs discussed in Wuzhen. The final communique, issued after the meeting, states that the ministers were particularly focused on the situations in Venezuela, the Middle East and North Africa – primarily in the contexts of the problem of the Joint Comprehensive Plan of Action (JCPOA), the

⁵⁴ TAPI Moves Into Afghanistan, Taliban Promise to Protect the Project// The Diplomat, February 27, 2018.
URL: <https://thediplomat.com/2018/02/tapi-moves-into-afghanistan-taliban-promise-to-protect-the-project/>

⁵⁵ China and India are Planning an Alliance for Joint Purchases of Oil and Gas // The Economic Times of India, May 1, 2019.
URL: <https://economictimes.indiatimes.com/industry/energy/oil-gas/india-china-set-up-joint-working-group-to-tackle-crude-volatility/articleshow/69120462.cms>

⁵⁶ Foreign Minister Sergey Lavrov’s Remarks and Answers to Media Questions at a Joint News Conference Following Talks between RIC Foreign Ministers // Ministry of Foreign Affairs of the Russian Federation, February 27, 2019. URL: http://www.mid.ru/en/web/guest/meropriyatiya_s_uchastiem_ministra/-asset_publisher/xK1BhB2bUjd3/content/id/3547249

situations in Afghanistan and on the Korean Peninsula, and the settlement of the conflicts in Syria and Yemen.⁵⁷

2.5. Russia–China Cooperation in Information Security

In 2018, Russia and China developed both bilateral and multilateral cooperation in information security. The Intergovernmental Agreement on Cooperation in Ensuring International Information Security dated May 8, 2015, formed the cornerstone of the contractual legal framework for collaboration between Russia and China in this area.⁵⁸ The framework is continuously augmented with documents at the agency-, organization- and company-level.

As a result of the Russia–China Summit in Beijing in June 2018, the Ministry of Economic Development of the Russian Federation and the Ministry of Commerce of the People's Republic of China signed a Memorandum of Understanding on Cooperation in E-Commerce.⁵⁹ On October 1, 2018, Kaspersky Lab and China Industrial Control Systems Cyber Emergency Response Team under the Ministry of Industry and Information Technology of the Chinese Government signed a Strategic Cooperation Agreement in Boao (China).⁶⁰

In October 2018, the Sub-Commission on Communication and Information Technologies (IT) of the Russia–China Commission on Preparing Regular Meetings between the Heads of State held its 17th meeting. The meeting's attendees noted that Russia–China IT cooperation has intensified significantly. Russia is interested in diversifying deliveries of hi-tech equipment, including servers, storage systems and telecommunications equipment. Moscow also hopes for further promotion and use of Russian software in China. Russia and China view the task of enhancing their internet security in the general context of ensuring stable economic development, exercising the rights and freedoms of citizens, and increasing the efficiency of public administration and the peaceful development of the global information space.⁶¹

In June 2018, the Second International Conference on Information Security was held as part of the 10th International IT Forum in Khanty-Mansiysk, with the participation BRICS, SCO and OSCE member states, as well as other countries. The event was attended by 19 representatives of China's largest associations, IT companies, and academic and educational institutions.⁶²

⁵⁷ Press Release on a Meeting of the Foreign Ministers of Russia, India and China (RIC) // Ministry of Foreign Affairs of the Russian Federation, February 27, 2019. URL: http://www.mid.ru/ru/maps/cn/-/asset_publisher/WhKWb5DVbQKA/content/id/3547259 (In Russian).

⁵⁸ Agreement between Government of the Russian Federation and the Government of the People's Republic of China on Cooperation in Ensuring International Information Security // Ministry of Foreign Affairs of Russia. URL: http://www.mid.ru/foreign_policy/international_contracts/2_contract/-/storage-viewer/bilateral/page-38/43921 (In Russian).

⁵⁹ China and Russia Sign "Memorandum of Understanding on Cooperation in E-Commerce" // Ministry of Commerce of the People's Republic of China, June 12, 2018. URL: <http://russian.mofcom.gov.cn/article/speechheader/201806/20180602754471.shtml> (In Russian).

⁶⁰ 17th Meeting of the China–Russia Subcommittee on Communications and IT held in China // D-Russia.ru, October 2, 2018. URL: <http://d-russia.ru/xvii-zasedanie-rossijsko-kitajskoj-podkomissii-po-svyazi-i-it-proshlo-v-kitae.html> (In Russian).

⁶¹ 17th Meeting of the China–Russia Subcommittee on Communications and IT Held // Ministry of Digital Development, Communications and Mass Media of the Russian Federation, October 2 2018. URL: <https://digital.gov.ru/events/38518/> (In Russian).

⁶² INFOFORUM, the Grand National Information Security Forum // Infoforum, January 31, 2019. URL: <https://infoforum.ru/conference/conference/program/cid/51> (In Russian).

3. Developing Russia–China Cooperation in Eurasia

3.1. A New Beginning for the Shanghai Cooperation Organization: The First Summit after Expansion

The most important event in the SCO calendar for 2018 was its latest summit.⁶³ The 18th meeting of the SCO Council of Heads of Member States was held in Qingdao (China) on June 9–10, 2018. In addition to representatives of the member states, the meeting was attended by the leaders of Afghanistan, Belarus, Iran and Mongolia, as well as by representatives of regional and international organizations. The main outcome of the summit was the Qingdao Declaration, which reflected the consolidated approaches of the member states to topical issues of regional and global politics and enshrined the principles of the organization's further development.⁶⁴ Other documents approved at the summit included the Programme on Cooperation in Combating Terrorism, Separatism, and Extremism for 2019–2021 and the Anti-Drug Strategy for 2018–2023.

The Qingdao Summit was a landmark event in the history of the SCO as the first “Shanghai 8” meeting following the accession of the Republic of India and the Islamic Republic of Pakistan as full members of the organization. Attendees at the Council of Heads meeting in Qingdao included Prime Minister of India Narendra Modi and President of Pakistan Mamnoon Hussain.

According to the Qingdao Declaration, member states note the new quality and dynamics that the accession of India and Pakistan to the SCO gives to the development of cooperation in various areas. The organization did not merely increase its numbers; it transitioned to a new quality of activities and global positioning. With such major Asian players as India and Pakistan joining the organization, the SCO's total economic power increased, as did its regional span and its capabilities for tackling various issues in the stable economic development of Eurasia and finding solutions to Eurasia's pressing security problems. The emergence of the “Shanghai 8” advances the inter-civilizational dialogue, makes it possible to spread the SCO's values throughout the Eurasian space, and confirms the SCO's adherence to the principle of respecting cultural and civilizational diversity.

President of the Russian Federation Vladimir Putin defined developing mutually advantageous economic ties between members as an important area of the SCO's activities. Noting the need to coordinate the integration initiatives proposed by SCO members, including the EAEU and the BRI, the Russian leader stated that the

⁶³ China Focus: Why is SCO Qingdao Summit Attracting World Attention? // Xinhuanet, June 5, 2018. URL: http://www.xinhuanet.com/english/2018-06/05/c_137231725.htm

⁶⁴ Qingdao Declaration of the Council of Heads of State of Shanghai Cooperation Organisation // President of Russia, June 10, 2018. URL: <http://kremlin.ru/supplement/5315> (In Russian).

project of the Greater Eurasian Partnership currently being developed by Russia and China will be open to all the SCO states.⁶⁵

The growth of anti-globalist ideas, attempts to undermine free trade principles through unilateral approaches and protectionist measures are forcing the SCO countries to strengthen their business cooperation as they strive for better coordination of national development plans. In regard to security, their activities are still based on the principles of multilateral diplomacy, observing the universal norms of international law, the uncompromising fight against terrorism and extremism in any form without politicization and the struggle against double standards. In the Qingdao Declaration, the SCO member states advocated reaching consensus on adopting the UN Comprehensive Convention on International Terrorism based on the UN Charter and other documents.

In December 2018, the first Forum of Regional Leaders of the SCO Countries took place in Chelyabinsk.⁶⁶

New factors that negatively affect the SCO's activities moved to the foreground in early 2019. Given the accession of India and Pakistan to the SCO, complicated relations between the two countries and the possible negative effect that they could have on the organization have become a cause for concern. On February 14, 2019, a terror attack in Kashmir took the lives of no fewer than 40 officers of the Central Reserve Police Force.⁶⁷ India believes that Pakistan is connected to the attack. On February 26, Indian military aircraft entered Pakistan's air space; in the ensuing combat, an Indian MiG-21 was shot down and its pilot taken prisoner.⁶⁸ This marks the most serious conflict between India and Pakistan in recent years, and tensions in South Asia mounted sharply, even though analysts believe an escalation into a major armed confrontation is unlikely.

Since the founding of the SCO, not a single major armed conflict has taken place between any of its member states. The conflict between India and Pakistan damages the prestige and authority of the organization and undermines its internal unity. The contradictions between India and Pakistan, the two largest powers in South Asia, can create barriers for cooperation within the SCO. They also slow down the Organization's development, both in this area and in combating terrorism.

Nonetheless, the conflict between India and Pakistan has had limited negative impact on the SCO. The tensions between the two states cannot change the SCO's general standing, alter the course and agenda of its principal development, or split the organization. Furthermore, neither India nor Pakistan will change their

⁶⁵ Shanghai Cooperation Organisation Summit // President of Russia, June 10, 2018.
URL: <http://en.kremlin.ru/events/president/news/57716>

⁶⁶ An Introductory Meeting of Heads of Regions of the SCO Member States was Held in Chelyabinsk // International Cooperation Agency of the Chelyabinsk Region, December 6, 2018. URL: <https://ica74.com/v-chelyabinske-sostoyalas-oznakomitelnaya-vstrecha-glav-regionov-gosudarstv-chlenov-shos/> (In Russian).

⁶⁷ Kashmir Attack: Bomb kills 40 Indian Paramilitary Police in Convoy // BBC News, February 14, 2019.
URL: <https://www.bbc.com/news/world-asia-india-47240660>

⁶⁸ India Pakistan: Kashmir Fighting Sees Indian Aircraft Downed // BBC News, February 27, 2019.
URL: <https://www.bbc.com/news/world-asia-47383634>

policies toward the SCO and will not abandon cooperation within the organization because of their conflict.

The 2019 SCO Summit will be held in Kyrgyzstan in June.⁶⁹ The organization cannot ignore the conflict between two of its member states, but the issue should not dominate the summit's agenda. The SCO should not interfere in bilateral relations or transform itself into a platform for settling bilateral contradictions; otherwise, it will become a space for debates and thus deviate from its principal development path. The SCO is objectively incapable of resolving such complicated problems as the India–Pakistan conflict. At the same time, the organization could offer an opportunity to exchange opinions and hold consultations between the two countries in order to improve bilateral relations.

3.2. The Prospects for Expanding Interaction at Multilateral Venues: BRICS, EAS, APEC and ASEM

In 2018, Russia and China saw the principal objective of developing bilateral cooperation in the international arena in enhancing interaction on a wide range of issues on the UN agenda. Moscow and Beijing also continued to maintain close contacts in other international organizations and multilateral dialogue venues, including the level of heads of state and government.

On July 26, 2018, Vladimir Putin and Xi Jinping held a meeting on the side-lines of the BRICS Summit in Johannesburg. On November 15, 2018, Vladimir Putin met with Premier of the State Council of the People's Republic of China Li Keqiang on the side-lines of the East Asia Summit (EAS) and ASEAN Summit in Singapore. On December 1, 2018, Vladimir Putin participated in a Russia–India–China (RIC) meeting with Prime Minister of India Narendra Modi and President of the People's Republic of China Xi Jinping on the sidelines of the G20 Summit in Buenos Aires. And on November 15, 2018 the President of the Russian Federation met with Li Keqiang on the sidelines of the East Asia Summit in Singapore, where the parties discussed various aspects of Russia–China comprehensive strategic partnership, especially cooperation in trade and economy.⁷⁰

Russia and China welcome the progressive development of cooperation mechanisms among BRICS countries, as they believe that this organization contributes to ensuring the stable growth of the global economy, improving global governance and democratizing international relations. The parties continue active interaction at influential Asian platforms, such as the Conference on Interaction and Confidence-Building Measures in Asia (CICA), the East Asia Summit, the ASEAN Regional Forum, ASEAN Defence Ministers Meeting and the Asia–Europe Meeting (ASEM). This interaction is based on the common approaches of Russia and China to the formation of an open, comprehensive and transparent regional security architecture in the Asia Pacific.

⁶⁹ 2019 SCO Summit to Be Held in Bishkek, Kyrgyzstan // China Daily, June 12, 2019.
URL: <http://www.chinadaily.com.cn/a/201906/12/WS5d00aa0fa310176577230c70.html>

⁷⁰ Meeting with Premier of the State Council of China Li Keqiang // President of Russia, November 15, 2018.
URL: <http://en.kremlin.ru/events/president/news/59130>

3.3. Russia–China Cooperation in Maintaining Regional Stability and Security

Russia and China have identical or similar approaches to the fundamental issues of today's world order and the key international problems, including the situation in Afghanistan, the Middle East, North Africa and the Korean Peninsula. This is the foundation for the close interaction of the two powers in international affairs. Russia and China feel particularly responsible for the situation in the Asia Pacific. Together with other partners, they wish to contribute to building a stable, safe and secure future for the region.

In formulating their positions on the new and old regional hotbeds of unrest, Moscow and Beijing try to find solutions that do not impinge on the security interests of any state. Moscow and Beijing set forth the fundamental principle of the undiminished security of other states in the Joint Statement on Global Strategic Stability of June 2016. This document defines the key characteristics of strategic stability, and Russia and China emphasized the strict observance by all states and alliances of states of the principles and norms of international law and those articles of the UN Charter that regulate the use of force and coercive measures.

These were the positions that Russia and China based their interaction on in 2018 in solving the problem of denuclearizing the Korean Peninsula. An important event in the long-term efforts Moscow and Beijing to settle the North Korean situation was the Russia–China–North Korea deputy foreign ministers meeting held on October 9, 2018 in Moscow. The communique adopted after the meeting expressed the common approaches of the three countries to the problems of the Korean Peninsula.⁷¹ The participants of the consultations were unanimous in their view that the only way to settle the entire range of problems on the Korean Peninsula is through peaceful political and diplomatic means. They also stressed their opposition to unilateral sanctions.

Moscow and Beijing coordinate their actions in the UN Security Council in order to give the process a new impetus, and continue talks on the problems of the Korean Peninsula with other partners, primarily South Korea and the United States.⁷² The two states support the steps taken by the leaders of North and South Korea to restore bilateral relations. Normalizing relations between the United States and North Korea is believed to be an important element in the overall settlement process.⁷³ Russia and China both hope that a reasonable compromise is possible, both within bilateral talks and with the assistance of the UN Security Council.⁷⁴

⁷¹ Joint Information Communique on Trilateral Consultations of Deputy Ministers of Foreign Affairs of the Russian Federation, the People's Republic of China, and the People's Democratic Republic of Korea // Ministry of Foreign Affairs of the Russian Federation, October 10, 2018.
URL: http://www.mid.ru/foreign_policy/news/-/asset_publisher/ckNonkJE02Bw/content/id/3370331 (In Russian).

⁷² Russia and China Will Coordinate Actions on Korean Peninsula Situation // Rossiyskaya gazeta, April 4, 2019.
URL: <https://rg.ru/2019/04/04/rf-i-kitaj-skoordiniruiut-dejstva-po-situacii-na-korejskom-poluostrove.html> (In Russian).

⁷³ Press Statements Following Talks with President of China Xi Jinping // President of Russia, September 11, 2018.
URL: <http://en.kremlin.ru/events/president/news/58528>

⁷⁴ Korean Peninsula: Betting on Russia // Mezhdunarodnaya zhizn', September 18, 2018.
URL: <https://interaffairs.ru/news/show/20567> (In Russian).

Moscow and Beijing proceed from the premise that the Korean settlement is a multilateral process requiring, in addition to North Korea abandoning nuclear testing, reciprocal concessions to be made: the sanctions imposed on North Korea should be gradually lifted, and security guarantees should be extended to the country.⁷⁵ Following the North Korea–United States summit in June 2018, representatives of North and South Korea posited the question of the gradual lifting of sanctions as North Korea proceeds toward non-nuclear status.⁷⁶ The sanctions the UN Security Council imposed on North Korea become an obstacle both for denuclearization talks between the United States and North Korea and for the inter-Korean dialogue. The sanctions were originally intended to promote peaceful dialogue, and as the situation improves, they might be alleviated. On November 24, 2018, the UN Security Council approved an exemption to the North Korean sanctions in order to resume railway transportation, although the United States had previously blocked the proposal.⁷⁷

Moscow and Beijing also believe it is necessary to sign a declaration on the end of the war as the foundation of the new peace regime. Such a declaration would change the current legal framework and would help ensure security on the Peninsula. The declaration may and should be followed by a full-fledged peace treaty, with Russia and China, among others, potentially being its guarantors.

The Korean issue, as well as other regional security problems, was discussed at the consultations of the co-chairs of the Russian–Chinese Dialogue on North East Asia Security which included Deputy Minister of Foreign Affairs of the Russian Federation Igor Morgulov and Vice Minister of Foreign Affairs of the People's Republic of China Kong Xuanyou. A total of six such meetings were held during the year.⁷⁸

Russia and China also hold regular anti-terror consultations. The third round of Russia–China Consultations on Combating International Terrorism was held in Beijing on December 18, 2018. The meeting was held at the level of deputy ministers for foreign affairs. The Russian delegation was headed by Oleg Syromolotov, while the Chinese delegation was led by Assistant Foreign Minister (in the rank of Vice Minister) Zhang Hanhui. The participants shared their assessments of global and regional terrorist threats, informed each other about their domestic anti-terror activities, and put on record their common understanding of the importance of forming a wide anti-terror front to combat Islamic State, Al-Qaeda, the East Turkestan Islamic Movement and other terror groups. Moscow and Beijing deemed it important to emphasize once again that the UN should play the central coordinating role in the fight against terror,

⁷⁵ Hosting a Trump–Kim Summit: The Singapore Experience // Aljazeera February 21, 2019.
URL: <https://www.aljazeera.com/news/2019/02/hosting-trump-kim-summit-singapore-experience-190220052827112.html>

⁷⁶ Difficulties and Hopes of the Korean Settlement // *Mezhdunarodnaya zhizn*, August 16, 2018.
URL: <https://interaffairs.ru/news/printable/20358> (In Russian).

⁷⁷ UN Grants North Korea Sanctions Exemption for North–South Rail Survey // Deutsche Welle, November 24, 2018.
URL: <https://www.dw.com/en/un-grants-north-korea-sanctions-exemption-for-north-south-rail-survey/a-46434861>

⁷⁸ Russia's Ambassador to China: Russia–China Cooperation is the Stabilizing Factor in Today's Turbulent World // Interfax, January 9, 2019. URL: <https://www.interfax.ru/interview/645268> (In Russian).

basing the fight on the norms and principles of international law, without “double standards” and in the spirit of effective partnership cooperation.⁷⁹

Speaking in Beijing at the 4th international conference “Russia and China: Cooperation in a New Era” on May 29, 2018, Deputy Minister of Foreign Affairs of the Russian Federation Igor Morgulov noted that today in the region “dividing lines are erased, new models of inter-country interaction emerge that are radically different from those we see, for instance, in the Euro-Atlantic space.” Instead of pseudo-tolerance and unification, the Asia Pacific prioritizes creative non-conflict interaction among various political systems and ways of life. Russia and China see the response to security challenges in the Asia Pacific in abandoning bloc approaches, embracing a comprehensive political and military détente, and developing “rules of the game” that apply to everyone.⁸⁰

3.4. Linking the EAEU and the BRI. Prospects of Shaping the Greater Eurasian Partnership

The purpose of creating the Greater Eurasian Partnership (GEP) is to ensure long-term peace and prosperity in Eurasia. This goal requires coordinating preferential regimes of trade and economic cooperation; developing transportation, information and energy infrastructures; coordinating national development plans with international industrial and technical cooperation; and transitioning to a fair system of monetary and financial relations. The Greater Eurasian Partnership should be based on a flexible system of legal norms, joint projects and institutions that consider the interests of the parties and proceed from the premise of voluntary cooperation. Integration will be multi-speed and multi-level, and each party should be free to choose its package of obligations.⁸¹

At present, the shaping of the GEP is mostly based on linking Eurasian economic integration processes and the Belt and Road Initiative.⁸² It is also necessary to create transportation corridors through the EAEU countries and develop a step-by-step interaction programme based on the mutually advantageous expansion of cooperation in investment and projects. This goal requires creating support and assistance instruments in trade, customs, finance and infrastructure. This, in turn, demands the coordination and systemic work of governments and interested companies of all countries.⁸³

⁷⁹ On Consultations Between Russia's Deputy Minister of Foreign Affairs Oleg Syromolotov and China's Assistant Foreign Minister Zhang Hanhui on Combating International Terrorism // Ministry of Foreign Affairs of the Russian Federation, December 18, 2018. URL: http://www.mid.ru/maps/cn/-asset_publisher/WhKWb5DVBqKA/content/id/3448305 (In Russian).

⁸⁰ Remarks at the 4th International Conference “Russia and China: Cooperation in a New Era” // RIAC, May 30, 2018. URL: <https://russiancouncil.ru/analytics-and-comments/comments/vystuplenie-na-chetvertoy-mezhdunarodnoy-konferentsii-rossiya-i-kitay-sotrudnichestvo-v-novuyu-epokhu/> (In Russian).

⁸¹ Sergey Glaziev: “The Greater Eurasian Partnership will Form a Foundation for Shaping a More Harmonious Technological and Institutional World Order” // Zvezda, March 14, 2019. URL: <https://zvezdaweekly.ru/news/t/2019313107-2Yqsz.html> (In Russian).

⁸² Article by Vladimir Putin “The 25th APEC Economic Leaders’ Meeting in Danang: Together Towards Prosperity and Harmonious Development” // President of Russia, November 8, 2017. URL: <http://kremlin.ru/events/president/news/56023> (In Russian).

⁸³ Minister of EEC Sergey Sidorsky: “Greater Eurasian Partnership Around the Core of the EAEU – China Is an Efficient Response to the Challenges in the Global Economy” // Eurasian Economic Commission, July 4, 2018. URL: <http://www.eurasiancommission.org/en/hae/news/Pages/4-07-2018-2.aspx>

In 2018, the linking process was gradually picking up pace. By year-end 2018, the trade turnover between China and the EAEU had grown by 22.9 per cent to \$126.3 billion, which is 16.76 per cent of the Union's foreign trade.⁸⁴ On May 17, 2018, the EAEU and China signed an Agreement on Trade and Economic Cooperation at the Astana Economic Forum.⁸⁵ Special emphasis will be placed during the implementation of the agreement on developing transportation infrastructure, particularly railway transport. The agreement is meant to reduce non-tariff restrictions and is of major importance for simplifying trade procedures.⁸⁶

The EAEU and China plan to continue interaction in their trade policies in 2019. Work is being done on an Agreement on Information Exchange on Goods and Transport Means for International Transportation across the Customs Borders of the EAEU and China.⁸⁷ Exchanging customs information will allow a better analysis of cross-border trade flows and make it possible to reduce barriers to their growth.

Beijing is interested in developing integration within the EAEU and is investing in the process: in 2018, China provided VEB.RF with approximately \$10 billion of investments.⁸⁸ It is also launching projects in the EAEU member states that are largely connected with building a transportation infrastructure and intended primarily to develop the BRI, but also positively influence EAEU integration.⁸⁹

Development of the transportation infrastructure should remain a key area of interaction, since developing infrastructure is impossible without inter-country collaboration in transporting goods via EAEU countries. This involves analyzing transportation flows and looking for bottlenecks in order to reduce transportation times. Even at the national level, low carrying capacities of their transportation routes posit certain problems for EAEU member states. When the volume of goods transported to and from China increases, the economic effect from building a transportation infrastructure and organizing collaboration will still be limited if problems at the national level are not solved. Infrastructure development will significantly cut transportation costs. Currently, the state assumes part of the costs of certain projects. For instance, plans for 2019 entail increasing shipments of Russian foodstuff to China in order to support

⁸⁴ The EAEU's Foreign Trade by Country // Eurasian Economic Commission. URL: http://www.eurasiancommission.org/en/act/integr_i_makroec/dep_stat/tradestat/tables/extra/Documents/2018/12/E201812_2_1.pdf

⁸⁵ Agreement on Trade and Economic Cooperation Signed between the Eurasian Economic Union and the People's Republic of China // Eurasian Economic Commission, May 17, 2018.
URL: <http://www.eurasiancommission.org/en/nae/news/Pages/17-05-2018-5.aspx>

⁸⁶ Linking the "Belt and Road" and the EAEU: Prospects of Infrastructure Projects // Rhythm of Eurasia, January 24, 2018.
URL: <https://www.ritmearasia.org/news--2018-01-24--sopryazhenie-pojasa-i-puti-i-eaes-perspektivy-infrastrukturnykh-proektov-34607> (In Russian).

⁸⁷ EAEU and China Agree to Submit Draft Agreement on Customs Information Exchange to Intrastate Procedures // Eurasian Economic Commission, December 18, 2018.
URL: <http://www.eurasiancommission.org/en/nae/news/Pages/18-12-2018-2.aspx>

⁸⁸ Linking the EAEU and the Silk Road: China is Changing its Strategy // Eurasia Expert, December 4, 2018.
URL: <http://eurasia.expert/sopryazhenie-eaes-i-shelkovogo-puti-kitay-menyat-strategiyu> (In Russian).

⁸⁹ EAEU and China: The Risks of Linking // StanRadar, October 18, 2018.
URL: <http://www.stanradar.com/news/full/31491-eaes-i-kitaj-riski-sopryazhenija.html> (In Russian).

Russian producers. The Russian Export Center plans to offset 50 per cent of the transportation costs to China.⁹⁰

However, interaction in the development of a transportation infrastructure should not be considered as the only area of cooperation. Setting up platforms for meetings between businesses and governmental agencies participating in linking the EAEU and the Belt and Road Initiative appears promising. Companies in the EAEU countries and China do not sufficiently understand the specifics of economic regulations and doing business in China and the EAEU respectively, and this limits cooperation significantly. EAEU agencies could initiate the process of developing analytical materials together with Chinese partners in order to familiarize the other party with the specifics of the national regulations of EAEU countries and China.⁹¹

In 2019, the issues of linking the projects were discussed, particularly at the Second Belt and Road Forum for International Cooperation held in Beijing on April 25–27, which was attended by President of the Russian Federation Vladimir Putin. A total of 283 agreements worth \$64 billion were concluded at the Forum.⁹²

3.5. Russia and China in the Arctic

In January 2018, the State Council Information Office of the People's Republic of China published its White Paper on China's Arctic Policy defining the objectives and areas of the country's Arctic strategy.⁹³

Currently, China strives to actively participate in the international management of the Arctic and promotes multilateral management that would rule out exclusive approaches and the possible dominance of individual countries. China also strives to take part in developing Arctic sea routes, building the so-called "Polar Silk Road" (or the Arctic stretch of the Silk Road) and participating in economic cooperation in coastal areas.

Russia, in turn, has defined several priority areas in developing its Arctic zone: comprehensive socioeconomic development; developing science and technologies; creating a state-of-the-art information and telecommunication structure; ensuring environmental safety; developing international cooperation in the Arctic; ensuring military security; and protecting and defending Russia's state border in the Arctic.⁹⁴ In May 2018, President of the Russian Federation Vladimir

⁹⁰ Made in Russia, Purchased in China // Rossiyskaya gazeta, February 11, 2019.
URL: <https://rg.ru/2019/02/11/eksport-rossijskih-tovarov-v-kitaj-vpervye-za-13-let-prevysil-import.html> (In Russian).

⁹¹ This practice is partially in use. See: "China's Market: Access Issues" Analytical Report // Roscongress Foundation, 2017.
URL: <http://apec-center.ru/wp-content/uploads/2017/09/%D0%A0%D1%8B%D0%BD%D0%BE%D0%BA-%D0%9A%D0%B8%D1%82%D0%B0%D1%8F-%D0%B2%D0%BE%D0%BF%D1%80%D0%BE%D1%81%D1%8B-%D0%B4%D0%BE%D1%81%D1%82%D1%83%D0%BF%D0%B0.pdf> (In Russian)

⁹² Over \$64b Worth of Deals Signed during BRF CEO Conference Forum // China Daily, April 27, 2019.
URL: <http://www.chinadaily.com.cn/a/201904/27/WS5cc425b6a3104842260b8c0e.html>

⁹³ Zhonggode beiji zhengce baipishu (quanwen) [White Paper on China's Arctic Policy (Full Text)] // Zhonghua Renming Gonghego Gouyuan Xinwen Bangongshi, January 26, 2018.
URL: <http://www.scio.gov.cn/zfbps/32832/document/1618203/1618203.htm> (In Chinese).

⁹⁴ The Strategy of Developing the Arctic Zone of the Russian Federation and of Ensuring National Security through to 2020 // St. Petersburg Administration. URL: <https://www.gov.spb.ru/static/writable/ckeditor/uploads/2018/05/14/Стратегия%20развития%20Арктической%20зоны%20России.pdf> (In Russian).

Putin signed Executive Order “On National Goals and Strategic Objectives of the Russian Federation through to 2024.” The year 2024 has thus become an important landmark for the Russian Arctic, with the goal being to increase freight traffic along the Northern Sea Route (NSR) to 80 million tons a year by that time. Achieving this figure entails developing international freight carriage along the NSR. Given China’s interest in the NSR, Chinese companies specializing in maritime shipping are expected to step up their activities.

Russia–China cooperation in the Arctic has become an important component of the comprehensive partnership and strategic collaboration between the two countries, and success has been achieved in this area in recent years.⁹⁵ In a Joint Statement released following the visit of President of the Russian Federation Vladimir Putin to China in June 2018, the leaders of the two countries noted that Moscow and Beijing intend to strengthen cooperation in the region in the interests of its sustainable development. This cooperation includes supporting interaction between interested agencies, bodies and enterprises in such areas as scientific research, joint infrastructure projects in transportation and energy, developing and exploiting the potential of the Northern Sea Route, tourism and the environment.⁹⁶

At the regular meeting of heads of government held in November 2018, Dmitry Medvedev and Li Keqiang noted that the parties intend to step up Russia–China cooperation in the Arctic, promote the exploration of Arctic routes, modernize infrastructure in the Arctic region and develop research.

The energy sector is an important component of Russia–China cooperation in the Arctic. For instance, China is actively participating in the Yamal LNG project. Another important area of interaction is the development of a shipping and port infrastructure. The Northern Sea Route is an important maritime traffic artery and could be of great significance for China in future. Russia is interested in modernizing the coastal infrastructure, and the two countries could implement relevant joint projects. For instance, Chinese companies are interested in taking part in building a deep-water port in Arkhangelsk.⁹⁷ Additionally, scientific cooperation between Russia and China is deepening, too, including joint research in the Arctic. In addition to bilateral exchanges, Russia and China have recently been actively developing cooperation within the framework of projects developed by the Arctic Council, the International Arctic Science Committee and other multilateral bodies, carrying out academic exchanges in land and marine research in the Arctic.

Russian experts believe that China’s influence in the Arctic Council should be expected to increase as Iceland assumes Chairmanship of the Council in May

⁹⁵ Joint Statement of the Russian Federation and the People’s Republic of China on Furthering the Comprehensive Partnership and Strategic Interaction // President of Russia, July 4, 2017.
URL: <http://kremlin.ru/supplement/5218> (In Russian).

⁹⁶ Joint Statement of the Russian Federation and the People’s Republic of China // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/supplement/5312>

⁹⁷ Zhong e beiji kechixu fazhan hezuo: tiaozhan yu lujing [Russia–China Cooperation in Sustainable Development of the Arctic: Problems and Opportunities] // Goji wenti yanjiu, July 25, 2018.
URL: http://www.ciis.org.cn/gyzz/2018-07/25/content_40434346.htm (In Chinese).

2019. China and Iceland have special relations. Following the financial crisis of 2008–2009, China has been expanding its economic, cultural and political presence in Iceland, giving this northern state financial means for growth, while achieving its own objective of building up potential in international maritime trade.

Russia–China cooperation in the Arctic is complicated by several factors. First is the uncertainty of commercial exploration of the region. The shrinking of the polar ice caps is non-linear, and it is difficult to forecast these changes. Shipping companies in individual countries, including China, are currently carrying out expensive pilot projects in polar navigation. It is too early to conclude that traditional routes can be replaced by polar routes.

Chinese experts also see Russia's hesitant attitude towards cooperating with non-regional countries, including China, as an obstacle to developing full-scale bilateral collaboration. This wariness continues, despite Moscow and Beijing achieving a general understanding on the matter. In particular, Chinese experts and representatives of shipping companies criticize Russia's approach to regulating navigation in polar waters. Under the Rules of Navigation in the Water Area of the Northern Sea Route adopted in 2013, Russia exercises strict control over navigation, which, according to Chinese experts, is not conducive to attracting commercial shipping companies from different countries.⁹⁸ In turn, Russian experts claim that Russia is wary of China's projects in the Russian Arctic because it is concerned that the social area of the Russian Arctic may be vulnerable if Chinese investment does not entail contributions to the social development of the region. Moreover, there are concerns related to the possible expansion of China's business presence in the Russian Arctic Zone if Chinese capital is given preferences in participating in Russia's major Arctic raw materials projects.

These problems should be settled through the joint efforts of the parties. China is ready to cooperate with Russia in exploring the Arctic. Working groups have been formed by the relevant agencies of both countries; talks are underway on a memorandum of cooperation between Russia and China in the exploration of the Arctic that will provide the institutional foundations for further development in the area.⁹⁹

⁹⁸ Order No. 7 of the Ministry of Transport of Russia "On Approving the Rules for Navigation in the Northern Sea Route" dated January 17, 2013 // Ministry of Transport of the Russian Federation, January 22, 2013.
URL: <https://www.mintrans.ru/documents/3/2914> (In Russian).

⁹⁹ Russia, China to Discuss Cooperation in Arctic // TASS, May 4, 2018. URL: <https://tass.com/economy/1002828>

4. Russia–China Military-Technical and Military Cooperation

4.1. Russia–China Military-Technical Cooperation in 2018

In 2018, for the first time ever, military-technical cooperation (MTC) between Russia and China was directly affected by the United States. In September 2018, the United States Department of the Treasury, in accordance with the Countering America's Adversaries Through Sanctions Act (CAATSA) adopted in 2017, imposed sanctions on the Equipment Development Department of China's Central Military Commission (CMC) and its Director Li Shangfu for purchasing Russian Su-35 fighters and S-400 anti-aircraft weapon systems.¹⁰⁰

It is noteworthy that CAATSA was adopted in 2017 and was applied retroactively, as the contract for the Su-35 fighters was signed in 2015,¹⁰¹ and the contract for the S-400 was concluded in 2014.¹⁰² By the time CAATSA was adopted, both contracts were already being implemented, and China had most likely made significant payments under both. Therefore, the purpose of the sanctions could not have been to alter China's behaviour in its cooperation with Russia.

In practical terms, these sanctions failed to significantly affect Chinese military's access to foreign technologies. MTC with China was either prohibited (by the United States) or severely restricted (by the European Union), with sanctions imposed against Beijing after the 1989 Tiananmen Square protest – sanctions that are still in effect to this day. The present decision should be viewed in the context of the overall escalation of U.S.–China contradictions since the spring of 2018.

This is precisely how China has perceived the actions of the United States. China responded with a diplomatic protest, cancelling the planned visit of Commander of the People's Liberation Army Navy Vice Admiral Shen Jinlong to the United States and pushing back military talks that had been slated to take part in Beijing.¹⁰³

Russia and China have been gradually strengthening their military and military-technical cooperation against the backdrop of the continuing degradation of U.S.–Russia relations and the crisis in U.S.–China ties. China confirmed its intention to develop MTC with Russia.¹⁰⁴ Russia has also expressed confidence

¹⁰⁰ CAATSA Section 231: "Addition of 33 Entities and Individuals to the List of Specified Persons and Imposition of Sanctions on the Equipment Development Department" // U.S. Department of State, September 20, 2018. URL: <https://www.state.gov/r/pa/prs/ps/2018/09/286077.htm>

¹⁰¹ Russia Completes Delivery of Su-35 Fighter Jets to China for \$2.5 Bln // The Moscow Times, April 17, 2019. URL: <https://www.themoscowtimes.com/2019/04/17/russia-completes-delivery-of-su-35-fighter-jets-to-china-for-25bln-a65271>

¹⁰² Russia to Begin Delivery of China's Second S-400 Air Defence System Regiment in July // The Diplomat, April 3, 2019. URL: <https://thediplomat.com/2019/04/russia-to-begin-delivery-of-chinas-second-s-400-air-defense-system-regiment-in-july/>

¹⁰³ Ankit Panda. China Postpones Military-to-Military Talks with U.S. after CAATSA Sanctions // The Diplomat, November 21, 2017. URL: <https://thediplomat.com/2018/09/china-postpones-military-to-military-talks-with-us-after-caatsa-sanctions/>

¹⁰⁴ China's Ministry of Foreign Affairs Makes Representations to U.S. in Connection with Sanctions for Cooperation with Russia // TASS, September 21, 2018. URL: <https://tass.ru/mezhdunarodnaya-panorama/5589439> (In Russian).

in continuing MTC with China.¹⁰⁵ In 2018, as the United States mounted its sanctions pressure on Russia, work was done to switch bilateral MTC payments to national currencies.¹⁰⁶

No data has been published on the monetary value of Russia–China MTC for 2018. Nevertheless, in November 2018, Director of the Federal Service for Military-Technical Cooperation Dmitry Shugayev stated that the portfolio of contracts with China totalled \$7 billion. What is more, China's share in Russia's weapons exports has tripled over the last five years.¹⁰⁷ China accounted for approximately 15 per cent of the total weapons export portfolio.¹⁰⁸

It should be noted that, in late 2016, Rostec stated that the portfolio of orders from China contracts exceeded \$8 billion.¹⁰⁹ In March 2018, Presidential Aide Vladimir Kozhin stated that the contracts portfolio exceeded \$6.5 billion¹¹⁰

At the same time, previously concluded contracts have been implemented with great speed since 2016, including those for the delivery of Su-35 and S-400. In particular, China received four Su-35S aircraft in 2016, a further ten in 2017 and another ten in 2018. Obligations under this contract were fulfilled by November 2018.¹¹¹ Delivery of the first of the two regimental sets of S-400 commissioned by China in the 2014 contract was concluded in early 2018, and the second set is to be delivered in the summer of 2019.¹¹² The S-400 contract was estimated to be worth over \$2 billion, while the contract for Su-35S is believed to be worth over \$2.5 billion.

Maintaining the contract portfolio at a relatively stable level despite these massive deliveries indicates that new large contracts have been concluded, but their contents have not been disclosed. Smaller contracts were also fulfilled for the delivery of aircraft engines to China and for the repair, modernization and maintenance of previously supplied weapons and military equipment.

In the autumn of 2018, Russia and China concluded three new important MTC contracts, although the content of these agreements was not disclosed.¹¹³ On the

¹⁰⁵ Russian Government Sees No Reasons to Curtail Military Technical Cooperation with China // TASS, November 5, 2018. URL: <https://tass.com/politics/1029288>

¹⁰⁶ Russia to Ditch the Dollar in its Weapons Deals. Idea Supported by Partner Countries // Fontanka.Ru, August 24, 2018. URL: <https://www.fontanka.ru/2018/08/24/038/> (In Russian).

¹⁰⁷ Russia–China MTC Triples Over 5 Years // Vesti Economy, November 7, 2018. URL: <https://www.vestifinance.ru/videos/43701> (In Russian)/

¹⁰⁸ China Accounts for Over 15 Per Cent of Russia's MTC Portfolio // Kommersant, November 6, 2018. URL: <https://www.kommersant.ru/doc/3792153> (In Russian).

¹⁰⁹ China's Portfolio of Russian Weapons Purchases Exceeds \$8 Billion // Mirovye obozrenie (World Review), November 1, 2016. URL: <https://tehnovar.ru/51443-portfel-zakazov-kitaya-na-rossiyskoe-vooruzhenie-prevysil-8-mlrd.html> (In Russian).

¹¹⁰ Presidential MTC Aide: China's Portfolio of Russian Weapons Purchases is about \$6.5 Billion // Finmarket, March 12, 2018. URL: <http://www.finmarket.ru/news/4731255> (In Russian).

¹¹¹ Russia Completes Delivery of Su-35 Fighter Jets to China for \$2.5 Bln // The Moscow Times, April 17, 2019. URL: <https://www.themoscowtimes.com/2019/04/17/russia-completes-delivery-of-su-35-fighter-jets-to-china-for-25bln-a65271>

¹¹² China Makes Progress in Induction of Second S-400 Air Defence System Regiment // The Diplomat, May 27, 2019. URL: <https://thediplomat.com/2019/05/china-makes-progress-in-induction-of-second-s-400-air-defense-system-regiment/>

¹¹³ Russia and China Sign Deals Worth US\$20 Billion as Xi Jinping and Vladimir Putin's Growing Friendship Bears Fruit // South China Morning Post, June 6, 2018. URL: <https://www.scmp.com/news/china/diplomacy/article/3013483/russia-and-china-sign-deals-worth-us20bn-xi-jinping-and>

whole, it may be surmised that deliveries of weapons and military equipment to China during the period under consideration totalled \$2–3 billion a year.

In October 2018, the Russian–Chinese Joint Intergovernmental Commission on Military–Technical Cooperation held its 23rd meeting. Traditionally, the agenda of the meeting and the decisions reached were not disclosed. However, the fact that the Russian Co-Chair of the Commission, Minister of Defence of the Russian Federation Sergey Shoygu was received after the meeting by President of the People’s Republic of China Xi Jinping, who noted the success of the work done, attests to the importance of the results achieved at the meeting.¹¹⁴ It is known that during the meeting, Sergey Shoygu suggested that together with his colleague, Vice Chairman of the Central Military Commission Zhang Youxia, they should discuss the possibilities of improving the situation in individual troubled regions, in particular, Syria and Libya.¹¹⁵

4.2. Russia–China Military Cooperation in 2018

China’s participation in Russia’s strategic command post exercise Vostok 2018 was a major step for Russia–China military cooperation. Each year, Russia holds this strategic exercise in one of four military districts and the only states that had been invited to participate until this point were Belarus and Kazakhstan, Russia’s military allies in the Collective Security Treaty Organization (CSTO).

A Chinese contingent consisting of 3500 troops, 24 helicopters and 6 JH-6A strategic bombers took part in one part of the Vostok 2018 exercises at the Tsugol training range in the Trans-Baikal Region.¹¹⁶ A small Mongolian force also participated in the exercise. Judging by the information in the Russian media, the Northern Theater Command of the Chinese People’s Liberation Army deployed a command post with a Maneuver Control System at the Russian range.¹¹⁷ Therefore, the participants likely worked on the process of integration and automated data exchange between Russian and Chinese command systems. After the exercise was completed, statements were made to the effect they could be held regularly.

China’s participation in the strategic exercise was discussed internationally and was taken as a sign that military ties between Russia and China were deepening significantly. Press Secretary for the President of Russia Dmitry Peskov said that the exercise had demonstrated the process of “expanding the interaction of the two allies in all areas.”¹¹⁸ It should be noted that no steps were taken to change the status of Russia–China relations in the military–political area. Thus far, there

¹¹⁴ Xi Jinping Says Work of Russia–China Intergovernmental MTC Commission a Success // TASS, October 19, 2018.
URL: <https://tass.ru/mezhdunarodnaya-panorama/5695124> (In Russian).

¹¹⁵ Xi Jinping Says Work of Russia–China Intergovernmental MTC Commission a Success // TASS, October 19, 2018.
URL: <https://tass.ru/mezhdunarodnaya-panorama/5695124> (In Russian).

¹¹⁶ Meeting Away from the Capital Cities: Defense Ministers of Russia and China Visit the Tsugol Range // Zvezda, September 12, 2018.
URL: <https://tvzvezda.ru/news/forces/content/201809122354-fz37.htm> (In Russian).

¹¹⁷ Russian and Chinese Defence Ministers Inspects Command Posts at Vostok 2018 // Ministry of Defence of the Russian Federation, September 12, 2018. URL: http://eng.mil.ru/en/news_page/country/more.htm?id=12195206@egNews

¹¹⁸ Peskov Explains China’s Participation in Vostok 2018 Exercise // RIA Novosti, August 28, 2018.
URL: <https://ria.ru/20180828/1527359944.html> (In Russian).

is no reason to expect Moscow and Beijing to change their principled positions on the undesirability of expanding military-political alliances in today's world. Demonstrating further rapprochement, the parties likely wish to retain the option of taking real joint steps in the military area up to concluding an alliance, should the global military-political situation exacerbate sharply again.

In August 2018, the Chelyabinsk Region in Russia hosted the Shanghai Cooperation Organisation's biennial Peace Mission military exercise. In 2018, India and Pakistan, the newest members of the SCO, took part in the exercise for the first time. And for the first time in a long while, observers from Uzbekistan were also present at the exercise. The total number of troops from all countries was approximately 3000, with 500 units of military equipment; less than China's force at Vostok 2018.¹¹⁹

It was announced in early 2018 that the annual Naval Interaction maritime exercise would be held in the Yellow Sea.¹²⁰ However, the exercise never took place. This marked the first time the exercise had been cancelled since its launch in 2012. The alleged reason was Russia's inability to provide the requisite number of ships to take part in the manoeuvres at the scheduled time. Instead, in late 2018, a Pacific Fleet squadron (the *Varyag* guided missile cruiser, the *Admiral Panteleyev* destroyer and the *Boris Butoma* tanker) was sent to the Port of Qingdao and subsequently held short joint at sea communications and manoeuvring exercises.¹²¹ Therefore, the aging of the Russian surface navy, combined with the demand put on the navy by the Syrian crisis and operations off the coast of Somalia, among other things, limit this traditional area of interaction.

The Naval Interaction 2019 exercise took place on April 29–May 4 in the Shandong province, with two submarines, thirteen surface ships, seven aircraft, four helicopters, and eighty marines participating.¹²²

The General Staff of the Armed Forces of the Russian Federation and the Joint Staff Department of the Central Military Commission continued regular consultations in 2019. The 20th round of consultations was held in Beijing in May 2018, with the participation of Deputy Chief of the Joint Staff Department Shao Yuanming and Chief of the Main Operational Directorate and First Deputy Chief of the Russian General Staff Sergey Rudskoy.¹²³

Overall, there was a deepening of bilateral military-technical and military interaction in 2018 against the backdrop of Russia and China's deteriorating relations with the United States. In 2019, we can expect the parties to transit to

¹¹⁹ Fifth Iteration of SCO Peace Mission Exercise Culminates in Russia // Army Technology, August 31, 2018.
URL: <https://www.army-technology.com/news/fifth-iteration-sco-peace-mission-exercise-culminates-russia/>

¹²⁰ Russia–China "Joint Sea 2018" Drill to Be Held in the Yellow Sea // Korabel.ru, April 26, 2018. URL: https://www.korabel.ru/news/comments/ucheniya_rf_i_kitaya_morskoe_vzaimodeystvie_2018_proydut_v_zheltom_more.html

¹²¹ Pacific Navy Ships Leave China's Port of Qingdao // Korabel.ru, October 25, 2018.
URL: https://www.korabel.ru/news/comments/korabli_tihookeanskogo_flota_pokinuli_kitayskiy_port_cindao.html

¹²² Up to 15 Ships to Participate in the Russia–China "Joint Sea" Exercise // TASS, April 25, 2019.
URL: <https://tass.ru/mezhdunarodnaya-panorama/6374976> (In Russian).

¹²³ 20th Round of Strategic Consultations between the Chinese and Russian Militaries Held in Beijing // China's Internet Information Center, May 30, 2018.
URL: http://russian.china.org.cn/china/txt/2018-05/30/content_51534352.htm (In Russian).

the implementation of a new series of MTC contracts that would be presumably characterized by a large proportion of joint development geared towards breakthroughs in military technologies. New joint statements and initiatives can be timed to coincide with the 2019 anniversaries of the Chinese state and the establishment of Russia–China diplomatic relations. Joint strategic exercises are likely to be continued, and large-scale naval exercises are likely to be resumed. New cooperation areas might be opened due to the steps taken by the United States in 2019, such as suspending its participation in the INF Treaty and the publication of the 2019 Missile Defense Review, which officially calls Russia and China adversaries of the United States against whom the U.S. missile defence programmes are targeted.¹²⁴

¹²⁴ Trump's Missile Defence Review Will be Read Closely in China // The Diplomat, January 26, 2019.
URL: <https://thediplomat.com/2019/01/trumps-missile-defense-review-will-be-read-closely-in-china/>

5. Developing Trade and Economic Cooperation between Russia and China

Russia and China strengthened their trade cooperation in 2018. This trend is expected to continue in the medium term due to several internal and external factors. The key internal factors include preserving the current political course and the growing interest of both countries in increasing the level of trade cooperation. External factors that boost the interest of Russia and China in developing economic ties and diversifying incoming and outgoing monetary flows include western sanctions that hit the Russian economy and the tightening of America's foreign policy towards China. Interaction might be stepped up through the implementation of select joint projects with major external effects that have positive influence in several areas at once. Choosing and implementing such projects is a key challenge that the state bodies of the two countries face.

In 2018, the two states strengthened the legal framework of their cooperation by signing a series of documents: the Memorandum of Understanding between the Ministry for the Development of the Russian Far East and Arctic and the Ministry of Commerce of the People's Republic of China on the Programme for Developing Russia–China Cooperation in Trade, Economy, and Investment in the Russian Far East in 2018–2024 (with a draft Programme),¹²⁵ the Plan of Agricultural Development in the Russian Far East and in Northeast China,¹²⁶ the Memorandum of Understanding on Creating a Business Council of the Russian Far East and the Baikal Region and Northeast China,¹²⁷ the Memorandum of Understanding on Cooperation in Trade in Services,¹²⁸ the Memorandum on Improving Customs Regulations in E-Commerce,¹²⁹ the Intergovernmental Agreement on International Vehicle Services, etc.¹³⁰ Russia and China have created new mechanisms that ensure expansion of comprehensive cooperation: the Business Council of the Russian Far East and the Baikal Region and Northeast China; the Russia–China Regional Forum on Trade and Economic Cooperation;¹³¹ the Russia–China Inter-

¹²⁵ Zhong e zai elosi yuandong diqu hezuo fazhan guihua (2018–2024) [Russia–China Plan of Cooperation and Development in the Far East (2018–2024)] // Zhonghua renmin gongheguo shangwubu wangzhan, November 15, 2018. URL: <http://images.mofcom.gov.cn/www/201811/20181115164728217.pdf> (In Chinese).

¹²⁶ Russia and China Plan to Develop Agriculture in the Far East // Ministry for the Development of the Russian Far East, November 7, 2018. URL: <https://minvr.ru/press-center/news/19653/> (In Russian).

¹²⁷ Documents Signed During Working Visit of China's President Xi Jinping's to Russian Federation // President of Russia, September 11, 2018. URL: <http://kremlin.ru/supplement/5341/print> (In Russian).

¹²⁸ China and Russia Signed Memorandum of Understanding on Cooperation in Trade in Services // Ministry of Commerce of the People's Republic of China, November 8, 2018. URL: <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201811/20181102804525.shtml>

¹²⁹ China and Russia Sign The Memorandum of Understanding on E-commerce Cooperation // Ministry of Commerce of the People's Republic of China, June 10, 2018. URL: <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201806/20180602754949.shtml>

¹³⁰ Russia and China Signed Agreement on International Vehicle Services // TASS, June 8, 2018. URL: <https://tass.ru/ekonomika/5275158> (In Russian).

¹³¹ Russian-Chinese Forum Opens in Primorye // Official Website of the Administration of the Primorye Territory, November 23, 2018. URL: <https://www.primorsky.ru/news/153870/>

national Technology Transfer Centre (Qingdao);¹³² and the Russia–China Alliance for the Innovative Development of Traditional Chinese Medicine.¹³³

5.1. Bilateral Trade Dynamics

In 2018, Russia–China trade turnover grew by 27.1 per cent to a record \$107,056.8 million.¹³⁴ (Fig. 1) The trade turnover has grown immensely over the last two years, which is important given the slumps of 2015 and 2016. Bilateral trade grew faster than China's foreign trade in general (+12.6 per cent), setting historical records.¹³⁵ China is Russia's principal trade partner, while Russia is China's 11th largest trade partner in terms of trade volume,¹³⁶ but the partner with the fastest trade turnover growth.¹³⁷

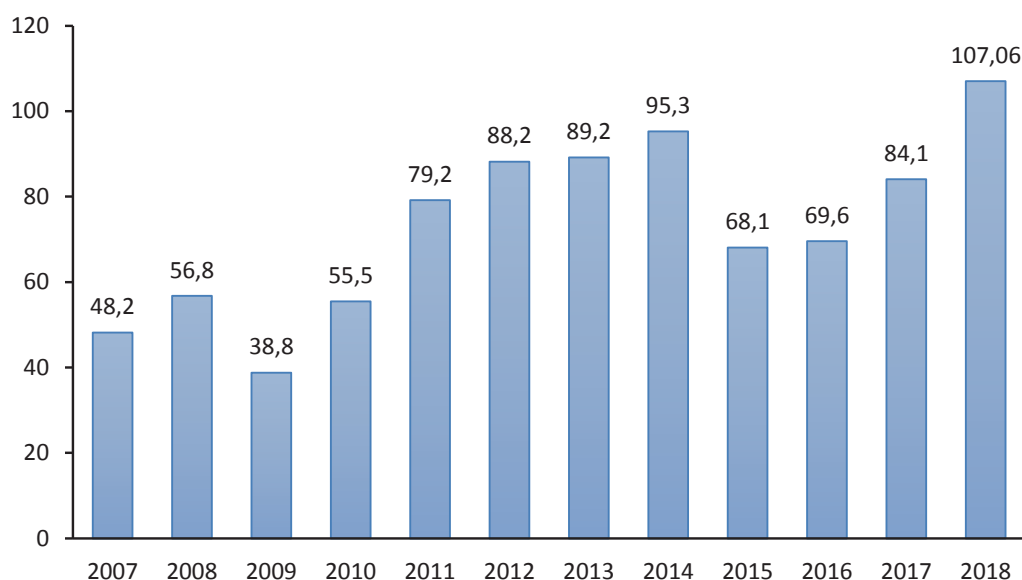


Figure 1. Russia–China Trade Turnover, \$ billion

Source: Plotted by Alexander Larionov using data from: Development of Trade and Economic Cooperation between Russia and China / Russian–Chinese Dialogue: The 2018 Model: Report No. 39/2018. Sergey Luzyanin, Zhao Huasheng, Andrey Kortunov, et al. Moscow: NPMP RIAC, 2018.

¹³² Zhong e goji jishu zhuanji zhongxin qingdao fenzhongxin lohu shibei [Russia–China International Technology Transfer Centre, the Qingdao Branch] // China Hightech, July 31, 2018.
URL: <http://www.chinahightech.com/html/chuangye/kjfw/2018/0731/480662.html> (In Chinese).

¹³³ Russia–China Alliance of Traditional Chinese Medicine Established in Moscow // RIA Novosti, November 26, 2018.
URL: <https://ria.ru/20181126/1533501104.html> (In Russian).

¹³⁴ Analysis Report and Statistical Data on the Foreign Trade of Russia and China in 2018 // Integrated Foreign Economic Information Portal. URL: http://www.ved.gov.ru/exportcountries/cn/analytic_cn/?analytic=17 (In Russian).

¹³⁵ China's Foreign Trade in 2018 Grew to the Record \$4.6 Trillion // Interfax, January 14, 2019.
URL: <https://www.interfax.ru/business/645971> (In Russian).

¹³⁶ Analytical Report and Statistical Data on the Foreign Trade of Russia and China in 2018 // Integrated Foreign Economic Information Portal. URL: http://www.ved.gov.ru/exportcountries/cn/analytic_cn/?analytic=17 (In Russian).

¹³⁷ China: Russia–China Trade Turnover Exceeded \$100 Billion in 2018 // Vesti Economy.
URL: <https://www.vestifinance.ru/articles/112871> (In Russian).

Exports from Russia into China grew faster (+42.7 per cent) than Chinese exports into Russia (+12 per cent), resulting in a Russian trade surplus with China. The positive dynamics of Russian exports to China were influenced by the global commodity markets and the development of interaction between the two countries at central and regional levels.

The growth in mutual trade resulted from optimizing the structure of trade turnover, with due regard for the national interests of the two countries.¹³⁸ The structure of trade turnover is determined by the current absolute and relative advantages, and trade achievements appear logical.¹³⁹ In addition, the stabilization of the Russian economy and the increased demand for Russian goods have had a positive impact on Russia–China trade.¹⁴⁰ Positive dynamics in political interaction have also opened up new opportunities for implementing joint economic projects.¹⁴¹

Cross-border e-commerce is developing rapidly. Preliminary estimates for 2018 put it at over \$4 billion.¹⁴² A Chinese site AliExpress has become the platform of choice for online shopping in Russia.¹⁴³ The potential prospects in this area are significant.

In 2018, Russian exports to China mostly grew in certain key commodities compared to 2017 (*Table 1*). They include mineral fuel, oil and petrochemicals (+55.1 per cent), timber and wood products (+4.9 per cent), agricultural products and foods (+51.4 per cent), and non-ferrous metals (+62.9 per cent).

Declining trends were observed in the trade in chemical products, machinery and equipment. Exports of chemical products fell for all key commodities: organic chemical compounds (–23 per cent); rubber and rubber products (–20.5 per cent); and plastics and plastic products (–6.3 per cent). In the trade of machinery and equipment, exports fell in energy equipment (–36.1 per cent), electrical machinery and equipment (–6.8 per cent), aerial vehicles (–15 per cent), and optical and medical equipment (–0.1 per cent). Falling exports for these commodities could be overcome in the future by concluding long-term contracts, taking the agreements reached at state level into account (for instance, with the participation of Rosoboronexport). When concluding agreements that will ensure a stable demand for Russia-made goods, it would be wise to make more active use of the potential of the foreign representative offices of Russian companies.

¹³⁸ Russia–China Trade Turnover Exceeded \$100 Billion in 2018 // *Kommersant*, January 10, 2019.
URL: <https://www.kommersant.ru/doc/3850352> (In Russian).

¹³⁹ Chinese Business is Wary of Investing into Russia // *Nezavisimaya Gazeta*, February 10, 2019.
URL: http://www.ng.ru/world/2019-02-10/10_7503_china.html (In Russian).

¹⁴⁰ China Names the Reason for Growing Trade Turnover with Russia // *Rambler Finance*, May 10, 2018.
URL: <https://finance.rambler.ru/economics/39809095-v-kitae-nazvali-prichinu-rosta-tovarooborota-s-rossiei> (In Russian).

¹⁴¹ Russia–China Trade Sets Records // *Eurasia Export*, September 4, 2018.
URL: <http://eurasia.expert/torgovlya-rossii-i-kitaya-bet-rekordy/> (In Russian).

¹⁴² At Year-End, Russia–China Trade May Total \$110 Billion // *RIA Novosti*, December 12, 2018.
URL: <https://ria.ru/20181212/1547856255.html> (In Russian).

¹⁴³ Ali quanqiu sumaitong zhudao elosi shichang: yuanyin hezai laiyuan? [Aliexpress Dominates the Russian Market: What's the Reason?] // *Elosi bao*, October 29, 2018. URL: <http://tsrus.cn/jingji/shangye/2018/10/29/663525> (In Chinese).

Table 1. Commodity Structure of Russian Exports to China in 2018

Commodities	Exports (\$ million)	Share in total exports (%)	Changes compared to the same period in 2017(%)
Mineral fuel, oil, petrochemicals	42,290.4	71.6	55.1
Timber, wood products	4692.2	7.9	4.9
Agricultural products and foods	3195	5.4	51.4
Non-ferrous metals	3032	5.1	62.9
Fish, shellfish, crustaceans	2108.2	3.6	46.9
Ores, slags, ash	1553	2.6	22.7
Pulp, cellulose	1140.1	1.9	28.5
Chemical products	1021	1.7	-5.5
Machinery and equipment	604	1	-21.1
Fertilizers	511.3	0.9	11.4
Precious stones and metals	388.3	0.7	8.4
Paper and cardboard; paper and cardboard products	221.7	0.4	113.3
Mineral products	110.8	0.2	16.1

Source: Compiled by Alexander Larionov using data from: Analytical Report and Statistical Data on the Foreign Trade of Russia and China in 2018 // Foreign Economic Information Portal.
URL: http://www.ved.gov.ru/analytic_cn/

In November 2018, Russia and China signed protocols on mutual sales of frozen meat, poultry and dairy products,¹⁴⁴ which, along with approving the list of enterprises that have the right to export their products to China,¹⁴⁵ should promote export of foods from Russia to China in 2019 and beyond. “Young” sectors appear promising for Russian exports into China, as Russian companies may take up the vacant niches. According to experts, one such sector is wine exports to China.¹⁴⁶

Exports of paper and cardboard (+113.3 per cent), non-ferrous metals (+62.9 per cent), and mineral fuel, oil and petrochemicals (+55.1 per cent) demonstrated the highest growth. China’s growing demand for specific commodities might be related to the decisions of the 19th National Congress of the Communist Party of China, which have China focus on fighting poverty and decreasing pollution.¹⁴⁷ We can expect China to try to increase exports of certain commodities whose

¹⁴⁴ Protocols Between Russia and China on Mutual Deliveries of Poultry Meat and Dairy Products Signed in Beijing // Rossel-khoznadzor, November 7, 2018. URL: http://www.fsvps.ru/fsvps/news/28538.html?_language=en

¹⁴⁵ China Lifts Key Restrictions on Sales of Russian Meat on Chinese Market // Rossiyskaya gazeta, September 19, 2017. URL: <https://rg.ru/2017/09/19/kitaj-sniat-kliuchevye-ogranicheniia-dlia-postavok-rossijskogo-miasa-na-svoj-rynok.html> (In Russian).

¹⁴⁶ The Thorny Path to China: Barriers and Points of Export Growth in the Celestial Empire // Regnum, March 5, 2018. URL: <https://www.regnum.ru/news/2387154.html>

¹⁴⁷ Business Guide. China // Foreign Economic Information Portal. URL: <http://www.ved.gov.ru/exportcountries/businessguide/> (In Russian).

production has a significant negative impact on the environment (for instance, paper and cardboard). In energy production, China is striving to move away from the use of coal, which explains the relatively low rate of growth of coal sales to China compared to oil exports.¹⁴⁸

China pays a significant amount of attention to the import of gas. Due to subsisting economic growth dynamics and the implementation of environmental measures since 2017, the demand for natural gas in China is growing rapidly. Preliminary estimates for 2018 put gas consumption at 280 billion cubic metres (+18 per cent).¹⁴⁹ Natural gas production in China is growing steadily, exceeding 157 billion cubic metres (+6.7 per cent)¹⁵⁰ at year-end 2018, with over 11 billion cubic metres of shale gas (+22 per cent).¹⁵¹ However, natural gas production fails to meet the growing demand. In 2018, China purchased about 124 billion cubic metres of natural gas (an increase of 30 billion cubic metres)¹⁵² and became the world's largest importer of gas ahead of Japan.¹⁵³ Out of all the gas China imported in 2018, liquefied natural gas (LNG) totalled approximately 52 million tonnes (about 72.5 billion cubic metres, or 59 per cent of the total volume), while pipeline gas imports totalled 51.5 billion cubic metres (41 per cent of the total volume).¹⁵⁴ Currently, gas is delivered along the south-eastern route (the China–Myanmar pipeline) and the north-eastern route (the gas pipeline from Central Asia). Gas comes from Myanmar, Turkmenistan, Uzbekistan and Kazakhstan.¹⁵⁵ Turkmenistan gas accounts for nearly 70 per cent of the total volume. Currently, a gas pipeline from Russia to China is being built in the northeast.¹⁵⁶ LNG is transported to China's consumer market via 19 receiving terminals on the east coast (with a total capacity of 72.45 million tonnes). This gas mostly comes from Australia, Qatar, Malaysia, Indonesia and the United States.¹⁵⁷ Chinese companies are gradually developing overseas natural gas exploration projects:

¹⁴⁸ China Threatens to Crash Global Coal Prices // *Vedomosti*, July 20, 2018.

URL: <https://www.vedomosti.ru/business/articles/2018/07/20/776025-kitai-sokratit-potreblenie> (In Russian).

¹⁴⁹ The Gas Triangle: Russia and U.S. Fighting Over China // *Gazeta.ru*, March 11, 2019.

URL: <https://www.gazeta.ru/business/2019/03/07/12229129.shtml> (In Russian).

¹⁵⁰ 2018 nian zhongguo tianranqi jiangye zoushi ji hangye fazhan qushi [Dynamics of Natural Gas Prices in China and the Sector's Development in 2018] // *Nengyuan xinwen wang*, July 4, 2018.

URL: <http://www.energynews.com.cn/show-55-14104-1.html> (In Chinese).

¹⁵¹ Zhongguo tianranqir qiao fei duiwai yicun dudafu zengzhang [Natural Gas Consumption in China has Significantly Increased the Country's Dependence on Foreign States] // *China Energy News*, January 18, 2019.

URL: http://www.cnenergynews.cn/yq/trq/201901/t20190118_752404.html (In Chinese).

¹⁵² China's Gas Imports Jump to Record High as Winter Weather Bites // *Reuters*, January 12, 2018.

URL: <https://www.reuters.com/article/china-economy-trade-oil/update-1-chinas-gas-imports-jump-to-record-high-as-winter-weather-bites-idUSL4N1P71WE>

¹⁵³ China Overtakes Japan as World's Top Natural Gas Importer // *Reuters*, November 12, 2018. URL: <https://www.reuters.com/article/china-japan-Ing/china-overtakes-japan-as-worlds-top-natural-gas-importer-idUSL4N1XN3LO>

¹⁵⁴ Demand for Imported Gas in China Has Increased Sharply // *Vedomosti*, January 14, 2019.

URL: <https://www.vedomosti.ru/business/articles/2019/01/14/791392-v-kitae-importnii-gaz> (In Russian).

¹⁵⁵ Kazakhstan Eyes Gas Exports to China as Trans-Caspian-Pipeline faces obstacles // *New Europe*, June 7, 2019.

URL: <https://www.neweurope.eu/article/kazakhstan-eyes-gas-exports-to-china-as-trans-caspian-pipeline-faces-obstacles/>

¹⁵⁶ Russia Expects China to Enter Arctic LNG-2 Project // *TASS*, November 5, 2018. URL: <https://tass.com/economy/1029293>

¹⁵⁷ Zhongguo tianranqir qiao fei duiwai yicun dudafu zengzhang [Natural Gas Consumption in China has Significantly Increased the Country's Dependence on Foreign States] // *China Energy News*, January 18, 2019.

URL: http://www.cnenergynews.cn/yq/trq/201901/t20190118_752404.html (In Chinese).

the project in Turkmenistan on the Amu Darya River;¹⁵⁸ Yamal LNG;¹⁵⁹ and the Canada LNG project.¹⁶⁰ It also has projects in Mozambique and Australia. The possible participation of the United States in exploring natural gas is currently under discussion.

Russia has rich reserves of natural gas and is the largest exporter of the commodity. In 2018, Russian gas production reached 725 billion cubic metres, with exports totalling 225 billion cubic metres.¹⁶¹ Russia and China have achieved significant success in cooperation in the gas sector. In September 2014, Russia started construction of the Power of Siberia pipeline (the Russian stretch of the Russia–China gas pipeline), and in late June 2015, China started construction on its stretch in the city of Heihe (the location of a gas transfer station) moving towards the north and east of China.¹⁶² According to the latest reports, construction is slated to finish in December 2019. The Yamal LNG project is based on the resources of the South-Tambeyskoye gas field in Russia's Yamalo-Nenets Autonomous Region.¹⁶³ Plans involve building three LNG production lines each with an annual production capacity of 5.5 million tonnes.¹⁶⁴ In September 2013, the China National Petroleum Corporation (CNPC) signed an agreement with NOVATEK on the acquisition of a 20-per cent share in the Yamal LNG project.¹⁶⁵ In April 2016, the Silk Road Fund acquired a 9.9-per cent stake in Yamal LNG.¹⁶⁶ Chinese companies will receive up to 4 million tonnes of LNG annually.¹⁶⁷ In December 2017, the project's first plant was officially put into operation. The second followed in August 2018, and the third in December 2018.¹⁶⁸ In July 2018, the first shipment of LNG from the first production line was delivered along the Northern Sea Route to the receiving terminal at the Jiangsu port in Rudong County.¹⁶⁹ While negotiating new projects in the gas sector, the Russian government and energy companies should carefully study the state and capacity of China's energy market and curb their expectations. The export

¹⁵⁸ China and Turkmenistan Sign a Series of Agreements on Increasing Natural Gas Deliveries from Turkmenistan to China // Renmin Ribao newspaper online, June 27, 2009. URL: <http://russian.people.com.cn/31518/6687751.html> (In Russian).

¹⁵⁹ About the project // Yamal LNG. URL: <http://yamallng.ru/en/>

¹⁶⁰ Company Information // LNG Canada. URL: <https://www.lngcanada.ca>

¹⁶¹ Russia to Set Record LNG Exports This Year: Officials // Russia Business Today, October 3, 2018. URL: <https://russiabusiness.today.com/energy/russia-to-set-record-lng-exports-this-year-officials/>

¹⁶² Cross-River Project Launched in China as Part of China–Russia Eastern Route Gas Pipeline // Renmin Ribao Newspaper Online, May 24, 2016. URL: <http://russian.people.com.cn/n3/2016/0524/c31518-9062116.html> (In Russian).

¹⁶³ Russia's Novatek Completes Deal to Sell Yamal LNG stake to China's Silk Road // Reuters, March 15, 2016. URL: <https://af.reuters.com/article/commoditiesNews/idAFR4N0ZC01H>

¹⁶⁴ NOVATEK Finds Gas for Third LNG Plant // Vedomosti, October 10, 2018. URL: <https://www.vedomosti.ru/business/articles/2018/10/10/783344-novatek-nashel-gaz> (In Russian).

¹⁶⁵ Novatek and China's CNPC Sign LNG Supply Deal // The Moscow Times, May 20, 2014. URL: <https://www.themoscowtimes.com/2014/05/20/novatek-and-chinas-cnpc-sign-lng-supply-deal-a35585>

¹⁶⁶ NOVATEK Sells Yamal LNG Stake to China's Silk Road Fund // LNG World News, September 3, 2015. URL: <https://www.lngworldnews.com/novatek-sells-yamal-lng-stake-to-chinas-silk-road-fund/>

¹⁶⁷ Yamal LNG: China to Receive 4 Million Tonnes of Liquefied Gas Annually // Chinese Information Internet Center, December 14, 2017. URL: http://russian.china.org.cn/exclusive/bt/2017-12/14/content_50103542.htm (In Russian).

¹⁶⁸ Novatek to Launch Second Stage of Yamal LNG in Early August // TASS, July 19, 2018. URL: <https://tass.com/economy/1013941>

¹⁶⁹ Novatek Ships 1st LNG Cargo to China via Northern Sea Route // World Maritime News, July 19, 2018. URL: <https://worldmaritimenews.com/archives/257324/novatek-ships-1st-lng-cargo-to-china-via-northern-sea-route/>

of energy sources from the Russian Far East and from Eastern Siberia to the Asian market appears to be the most profitable. Even though China's natural gas market is growing rapidly, China is not ready to purchase gas at high prices, and developing a market also takes time. It is important to take these market specifics into account and find a balance between short- and long-term profits.

The structure of China's exports into Russia also demonstrated growth for most commodities in 2018 compared to the same indicators for 2017 (*Table 2*). China's principal exports into Russia are machinery and equipment (+16.2 per cent), chemical products (+18.7 per cent), pelts, fur skins and furs (+15.5 per cent).

Table 2. Commodity Structure of Chinese Exports to Russia in 2018

Commodities	Exports (\$ m)	Share in total exports (%)	Changes compared to the similar period in 2017 (%)
Machinery and equipment	22,166	46.2	16.2
Chemical products	4322	9	18.7
Pelts, fur skins, furs, products	3308.4	6.9	15.5
Textile clothes	2354.9	4.9	-4.2
Agricultural products and foods	1949	4.1	3.2
Knitwear	1565.3	3.3	-5.8
Ferrous metal products	1265.1	2.6	17.5
Toys, sports equipment	1007.7	2.1	6.7
Furniture, mattresses, lighting fixtures	979.7	2	6.3
Ferrous metals	685.4	1.4	8.7
Other finished textile goods (bed lines, bedspreads, curtains)	505.6	1	-7.9
Cutlery	471.5	1	21.2
Leather goods	434.2	0.9	22.2
Articles made from non-precious stones	450.9	0.9	16.1
Aluminium and aluminium products	407.4	0.8	24.8
Stone, gypsum, cement products	328.8	0.7	12.2
Paper, cardboard and paper and cardboard products	282.3	0.6	22.2
Ceramic goods	298.9	0.6	24.1
Textile fabrics	251.6	0.5	0.5
Glass and glass goods	235.7	0.5	8.2
Knit fabrics	189.5	0.4	8.8
Other non-precious metals, metal ceramics	156	0.3	5.5

Source: Compiled by Alexander Larionov using data from: Analytical Report and Statistical Data on the Foreign Trade of Russia and China in 2018 // Foreign Economic Information Portal.

URL: http://www.ved.gov.ru/analytic_cn/

The greatest growth in exports was observed in aluminium and aluminium products (+24.8 per cent); ceramic goods (+24.1 per cent); paper, cardboard and paper and cardboard products (+22.2 per cent); and leather goods (+22.2 per cent). Significant development was seen in trade in chemical products (+18.7 per cent), as well as machinery and equipment (+16.2 per cent). Negative trends were seen in exports of textile clothes (–4.2 per cent), knitwear (–5.8 per cent) and other finished textile goods (–7.9 per cent). These trends are probably due to the development of Russia's light industry and the state supporting this sector of Russian manufacturing.¹⁷⁰

These trends demonstrate that Russian companies mostly export raw materials and certain technologies to China, while China exports finished products to Russia.¹⁷¹ One of the main restrictions for the diversification of Russia's exports to China is the product quality standards, which are often more rigorous than global quality standards.¹⁷² The costs of obtaining the necessary certificates are fairly high, which restricts the export potential of Russian producers. The second important restricting factor is the specifics of doing business in China: Russian producers need to establish interaction with local distributors in order to ensure the sale of their products. The development of a transport infrastructure that would make it possible to cut the costs associated with transporting products from Russia to China is of particular importance.

Government measures adopted in the two countries contribute to resolving some of the existing problems. Russian and Chinese governmental agencies assist businesses in setting up platforms for negotiating, concluding agreements and networking with potential customers. For instance, the first Russian-Chinese Energy Business Forum was held in Beijing on November 29, 2018. The Forum was attended by approximately 90 representatives of the financial, energy and information sectors.¹⁷³ In November, Prime Minister of the Russian Federation Dmitry Medvedev headed the delegation of Russian enterprises and entrepreneurs at the First China International Import Expo.¹⁷⁴ The Russian Export Center announced its intention to open an office in China.¹⁷⁵

In 2019, Russia and China may step up cooperation in ensuring economic security. In 2018, the parties discussed the problem of illegal logging and transporting timber to China. Restrictions on Chinese timber imports were

¹⁷⁰ Vladimir Putin Deems Support for Light Industry Insufficient // Soyuzlegprom (Light Industry Union), December 20, 2018. URL: <https://www.souzelegprom.ru/ru/press-tsentr/novosti/novosti-otrasli/3740-vladimir-putin-schel-nedostatochnoj-podderzhku-legkoj-promyshlennosti.html>

¹⁷¹ Thorny Route to China: Export Barriers and Growth Points // Regnum, March 5, 2018. URL: <https://regnum.ru/news/2387154.html> (In Russian).

¹⁷² Thorny Route to China: Exports Barriers and Growth Points // Regnum, March 5, 2018. URL: <https://regnum.ru/news/2387154.html> (In Russian).

¹⁷³ First Russian-Chinese Energy Business Forum Closes in Beijing // Rosneft, November 29, 2018. URL: <https://www.rosneft.com/press/releases/item/193107/>

¹⁷⁴ Medvedev Arrives in Shanghai // TASS, November 4, 2018. URL: <https://tass.com/politics/1029282>

¹⁷⁵ Opening Ceremony of the 1st China International Import Expo // Government of Russia, November 5, 2018. URL: <http://m.government.ru/en/all/34578/>

proposed, but China confirmed its readiness to set up interaction in combating illegal logging.¹⁷⁶

According to Chinese experts, the efficiency of public administration and increasing transparency in the use of investments play an important role in Russia–China interaction. If the efficiency of Russia’s public administration is improved, then the structure of its economy – and subsequently the structure of Russia–China trade – may see an increase in the share of products with high added value.¹⁷⁷ Since a significant share of innovations is concentrated in the public sector, the transfer of some technologies may be achieved through commercialization, which will improve the competitive edge of Russian manufacturers (for instance, in commercializing the products of the space sector).¹⁷⁸

Russia and China should also use the opportunities that the Agreement on Trade and Economic Cooperation between the EAEU and the People’s Republic of China and the linking of the EAEU and the BRI open opportunities for in-depth cooperation based on trade agreements and simplifying trade and investment. High import tariffs hinder growth, and China, therefore, believes it would be wise to step up work on advancing bilateral free trade agreements.

5.2. Mutual Investment and Promising Joint Projects in Russia–China Cooperation

Unlike trade, mutual direct investments between Russia and China fell in 2018. Experts estimated that China’s foreign direct investment (FDI) in Russia fell by 24 per cent in January–June 2018 compared to the same period in 2017.¹⁷⁹ At the same time, individual projects in certain sectors serve as examples of successful cooperation.

According to the Bank of Russia, Chinese investment into Russia significantly exceeds Russian investment into China (*Table 3*). Chinese investors in Russia mostly invest in the energy, agricultural, and construction sectors and light industry. Russian investments in China are primarily focused in manufacturing, construction and transportation.¹⁸⁰

Despite a decrease in total foreign direct investment, Chinese investors outstripped Germany in terms of the number of investment projects in Russia in 2018.¹⁸¹

¹⁷⁶ Federal Agency for Forestry Proposes Banning Chinese Companies from Purchasing Timber from Russian Citizens // Rossiyskaya gazeta, January 17, 2019.
URL: <https://rg.ru/2019/01/17/rosleshoz-predlozhit-zapretit-kitajcam-pokupat-drevesinu-u-grazhdan-rf.html> (In Russian).

¹⁷⁷ Chinese Business is Wary of Investing in Russia // Nezavisimaya Gazeta, February 10, 2019.
URL: http://www.ng.ru/world/2019-02-10/10_7503_china.html (In Russian).

¹⁷⁸ Pokrovskaya V. V., Larionov A.V. Trends on the Space Commodities Market in Russia // Mir Novoy Ekonomiki (The New Economy World), 2016 (4), pp. 24–31.

¹⁷⁹ China Rejects Transition to Settlements in National Currency with Russia // UAWIRE, December 26, 2018.
URL: <https://www.uawire.org/china-rejects-transition-to-settlements-in-national-currency-with-russia>

¹⁸⁰ Analytical Report and Statistical Data on the Foreign Trade of Russia and China in January–September 2018 // Foreign Economic Information Portal. URL: http://www.ved.gov.ru/analytic_cn/ (In Russian).

¹⁸¹ China Outstrips Germany in Number of Investment Projects in Russia // RBC, May 24, 2018.
URL: <https://www.rbc.ru/economics/24/05/2018/5b068bd59a794722dede4fbd> (In Russian).

Table 3. Foreign Direct Investment of Russia and China, \$ million

Indicator	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018
Chinese FDI in Russia	254	136	-360	110	14	82	16
Russian FDI in China	1	16	11	4	2	4	6

Source: Compiled by Alexander Larionov using data from: Foreign Sector Statistics // The Central Bank.
URL: <http://www.cbr.ru/statistics/?PrId=svs>

China has the largest number of investment projects in Russia, and it grew 3.5 times in 2017 compared to 2016.¹⁸²

According to the Chinese statistics, China's direct non-financial investment into Russia totalled \$13.872 billion at the end of 2017, or 0.8 per cent of China's foreign direct investments and 12.5 per cent of its European investments.¹⁸³ Russia ranks 10th in the world in terms of the volume of Chinese investments accumulated, and second among countries participating in the Belt and Road Initiative. Approximately 1000 Chinese companies operate in Russia today, employing 20,000 Russian citizens.

In recent years, several institutional mechanisms have been introduced in order to ensure success of Russia–China projects, including the Russia–China Investment Fund (RCIF) and the Russia–China Investment Fund for Regional Development.

Establishing joint organizations makes it possible to account for the specific features of doing business in Russia and China. It also builds confidence on the part of Chinese investors in projects, which in turn promotes investment. For instance, China will provide 15 billion roubles for a Rosatom project that requires 18 billion roubles in funding.¹⁸⁴

The 4th Eastern Economic Forum (EEF) held in Vladivostok on September 11–13, 2018 was a landmark event in Russia–China interaction.¹⁸⁵ Participants discussed the most promising projects, most of which were connected with the topic “The Far East: Expanding the Range of Possibilities.”¹⁸⁶ The following agreements related to economic cooperation were signed at the Forum:

- Memorandum of Understanding between the Ministry for the Development of the Russian Far East and the Ministry of Commerce of the People's Republic of China on Establishing the Business Council of the Russian Far East and the Baikal Region of Russia and Northeast China;

¹⁸² Foreign Investors Pour Money into a Record Number of Projects in Russia // Ernst&Young, May 24, 2018.
URL: <https://www.ey.com/ru/en/newsroom/news-releases/ey-news-european-attractiveness-survey>

¹⁸³ Duiwai touzi hezuo gobei (diqu) zhinan. Elosi [Investment Cooperation Indicators. Russia] // Yidai yilu.
URL: <https://www.yidaiyilu.gov.cn/wcm.files/upload/CMSydyigw/201902/201902010513054.pdf> (In Chinese).

¹⁸⁴ Rosatom Eyes Supplying Nuclear Fuel for China's New Fast Neutron Reactor // TASS, January 10, 2019.
URL: <https://tass.com/economy/1039341>

¹⁸⁵ China's President Xi Jinping on the Tasks of the Fund // Russia–China Investment Fund for Regional Development, September 16, 2018. URL: <http://ifrd.ru/en/>

¹⁸⁶ Logo and Packaging of “Clean Earth” Water Approved // Russia–China Investment Fund for Regional Development, August 22, 2018. URL: <http://ifrd.ru/en/>

- Memorandum of Understanding between the Ministry for the Development of the Russian Far East and China's State-Owned Assets Supervision and Administration Commission of the State Council on Enhancing Regional, Industrial and Investment Cooperation between Russia and China in the Far East;
- Memorandum of Understanding between the Ministry for the Development of the Russian Far East and the Ministry of Commerce of the People's Republic of China on the Programme for Developing Russia–China Cooperation in Trade, Economy, and Investment in the Russian Far East in 2018–2024;
- A loan agreement between Vnesheconombank (Bank for Development and Foreign Economic Activities) and the China Development Bank on providing funds of up to 12 billion yuan;
- An agreement on the exercise of rights of the participants in KAMAZ Weichai LLC between KAMAZ PJSC and China's Weichai Power.¹⁸⁷

These agreements have laid the groundwork for successful investment cooperation in the medium term.

An important outcome of the Eastern Economic Forum was the discussion on a series of projects with partial Chinese investment. At the annual Russia–China Business Advisory Committee Meeting, entrepreneurs from the two countries discussed the launch of 73 joint projects worth a total of over \$100 billion.¹⁸⁸ For example, the Russia–China Investment Fund for Regional Development demonstrated samples of the “Clean Earth” drinking water from the Irkutsk Region that is already available in China. The project entails a gradual increase in production capacity.¹⁸⁹ Particular attention is paid to investments in technologies. For instance, Skolkovo Ventures and the Russia–China Investment Fund for Regional Development concluded an agreement in 2018 on investing in Russian and Chinese technological companies.¹⁹⁰ The strategic partnership will be implemented in two stages. At stage one, 1.5 billion roubles will go to Skolkovo – Digital, Skolkovo – Industrial 1 and Skolkovo AgTech Fund. At stage two, which is set to be concluded by the end of 2019, two additional funds are slated to be established. The “Special Situations” Fund will manage \$100 million in investments, half of which will come from China. The funds will be used for Skolkovo's project portfolio. The Fund for hi-tech vertically integrated companies will invest in promising companies in such rapidly growing sectors as artificial intelligence, cyber security and video content analysis. It is expected that the fund will allow the creation of three to five technology companies.

¹⁸⁷ Documents Signed During Working Visit of China's President Xi Jinping's to Russian Federation // President of Russia, September 11, 2018.
URL: <http://en.kremlin.ru/supplement/5341>

¹⁸⁸ Russia and China Are Looking at Launching Joint Projects Worth More Than \$100 Billion // CNBC, September 10, 2018.
URL: <https://www.cnbc.com/2018/09/11/russia-china-consider-investments-worth-more-than-100-billion.html>

¹⁸⁹ Chinese Investor Plans to Develop Potable Water Production in Russia // Ministry for the Development of the Russian Far East, August 21, 2018. URL: <https://minvr.ru/press-center/news/18019/> (In Russian).

¹⁹⁰ Skolkovo Develops R&D and Venture Projects with Chinese Players // East West Digital News, October 26, 2018.
URL: <https://www.ewdn.com/2018/10/26/solkovo-develops-rd-and-venture-projects-with-chinese-players/>

Other agreements were subsequently reached between governmental agencies of Russia and China. For instance, in November 2018, the Ministry of Economic Development of the Russian Federation reported on its website that it had signed a Memorandum of Understanding with the Ministry of Commerce of the People's Republic of China on trade in services.¹⁹¹ The memorandum is intended to stimulate interaction between Russian and Chinese enterprises working in tourism, culture, transportation, educational services, etc. At the same time, the document may be extended to interaction in other forms of economic activities. The Federal Customs Service of Russia and the General Administration of Customs of the People's Republic of China agreed to improve the procedure for discharging customs operations and customs control of goods transported as part of international e-commerce.¹⁹²

In 2018, the realization of the long-range wide-body CR929 airliner program progressed at a rapid pace.¹⁹³ The plane is designed by China–Russia Commercial Aircraft International Corporation (CRAIC); 50 per cent of its stock is owned by the United Aircraft Corporation. The total cost of the project is approximately \$21 billion, with equal financing expected from Russia's and China's parts. Successful implementation of the project will create a competitor for the Boeing 787 Dreamliner and Airbus 350.

China Railway Construction Corporation (CRCC) is building the southwestern stretch (4.6 kilometres) of the Large Circle Line of the Moscow Metro, which is expected to be put into operation in 2020.¹⁹⁴

In 2018, an agreement was achieved on the construction of a joint Russia–China enterprise for the production of specialized electrical equipment in Voronezh.¹⁹⁵ China Haier Group will open an industrial park in the Republic of Tatarstan to assemble and manufacture home appliances.¹⁹⁶

Discussions of more joint projects continued in 2019. In early 2019 there was a discussion of constructing a shipbuilding plant in Primorsky Krai with the participation of Mag Sea International and Dalian Shipbuilding Plant.¹⁹⁷ The project will initially be supported through tax incentives.

¹⁹¹ China and Russia Signed Memorandum of Understanding on Cooperation in Trade in Services // Ministry of Commerce of the People's Republic of China, November 8, 2018.
URL: <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201811/20181102804525.shtml>

¹⁹² Russia–China Alliance: Self-Fulfilling Prophecy of the U.S.? // Valdai International Discussion Club, November 12, 2018.
URL: <http://ru.valdaiclub.com/a/highlights/rossiysko-kitayskiy-alyans/> (In Russian).

¹⁹³ China, Russia Unveil Life-Size Model of Planned Widebody Jet at Zhuhai Airshow // Reuters, November 6, 2018.
URL: <https://www.reuters.com/article/us-china-airshow-comac/china-russia-unveil-life-size-model-of-planned-widebody-jet-at-zhuhai-airshow-idUSKCN1NB0CL>

¹⁹⁴ Zhongguo tiejian mosike ditie xiangmu shoutiao suidao guantong [Chinese Rail Building Corporation is Building the First Tunnel of the Moscow Subway Project] // Sohu, April 11, 2019.
URL: http://www.sohu.com/a/307284170_119038?sec=wd (In Chinese).

¹⁹⁵ Russia–China Joint Venture to Open in Voronezh // Izvestia, April 24, 2018.
URL: <https://iz.ru/736028/2018-04-24/sovmetstnoe-predpriatie-rossii-i-kitaia-poiavitsia-v-voronezhe> (In Russian).

¹⁹⁶ China Invests \$450 Million in 'Smart Manufacturing Plant Haier' in Tatarstan // Tatarstan Investment Development Agency, June 6, 2019. URL: <http://tida.tatarstan.ru/en/index.htm/news/1488912.htm>

¹⁹⁷ Chinese Investor Chose a Place for a Plant in Primorye // East Russia, July 16, 2019.
URL: <https://www.eastrussia.ru/en/news/kitaysy-vybrali-mesto-dlya-stroitelstva-zavoda-v-primore/>

Individual projects with Chinese investment might have a significant positive influence on the economic development of some Russian regions and can produce external effects for other economic sectors. It is, therefore, particularly important for Russia to choose projects with maximum positive external effect. Such projects may take the form of additional orders for Russian companies or the provision of new technologies or training Russian employees. For these effects to manifest at state level, it would be wise to continue interaction on establishing joint manufacturing.

It is important for Russia and China to continue work to significantly improve the business climate. In the World Bank's *Doing Business 2019* ranking, Russia placed 31st and China 46th (out of 190 countries) in the Ease of Doing Business category (*Table 4*).¹⁹⁸ Many Chinese companies believe that the Russian business climate is not favourable enough. For instance, in such a key indicator as "Dealing with Construction Permits," Russia ranks 48th (193 days required to obtain a construction permit), while China ranks 121st (155 days). Lengthy procedures increase financial costs for enterprises and produce a negative effect on the development of infrastructure projects in both countries. Reducing the cost of trading across borders is of particular importance. Russia and China hold the 99th and 65th places, respectively, in this indicator. The costs of exporting and importing in Russia are about 40 per cent higher than in China. The high costs restrict the development of bilateral trade and investment, and special attention should be paid to resolving this problem.

Table 4. Principal indicators of the Business Climate in Russia and China

Country	Ease of doing business ranking	Construction permits (ranking)	Trading across borders (ranking)	Cost of trading across borders (\$)	
				Exports	Imports
Russia	31/190	48	99	672	740
China	46/190	121	65	387.6	448.3

Source: Compiled using data from *Doing Business 2019* // The World Bank.
URL: <http://www.doingbusiness.org/en/reports/global-reports/doing-business-2019>

It is important to enhance the role of market mechanisms in bilateral trade and economic cooperation. Russia and China have established a comprehensive mechanism for bilateral interaction that involves regular meetings between the heads of government and an extensive system of intergovernmental commissions. Large-scale projects typical of such interaction are supported at the governmental level, and they play a positive role in developing cooperation in natural monopolies, including the energy and mineral resources sectors. Currently, interaction is being expanded in the processing industry, agriculture, trade in services, and high technologies. Market mechanisms and the companies themselves play an important role in this interaction. However, it is difficult to adapt the current mechanism to new realities, and its effectiveness is

¹⁹⁸ *Doing Business 2019* // World Bank. URL: http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf

decreasing as a result. For instance, the Russia–China Investment Fund, which was established in 2012, was intended to advance cooperation in the non-raw materials sector. However, the number of projects that have been implemented thus far is insignificant.

Further advancements in agriculture cooperation appear promising. It is necessary to step up work under the Development Plan for Agriculture in the Russian Far East and Baikal Region and Northeast China.¹⁹⁹ It is also necessary to boost collaboration in processing soy and other agricultural products, developing warehousing and logistics, and studying mutual investment opportunities. It would be wise for the state to promote cooperation in production and other components of agricultural production chains.

The processing industry is no less important. Given Russia's industrial structure and the principal areas of cooperation within the BRI, the parties should pay special attention to producing steel, non-ferrous metals, construction materials, electricity, chemicals, textiles, automobiles, construction equipment, etc. The work of Haier Group²⁰⁰ and Hisense Group²⁰¹ in Russia is an example of successful collaboration. The two companies have set up bases or opened offices in Russia manufacturing and selling home appliances. Another example is China National Chemical Engineering Corporation, which participates in the construction of petrochemical facilities in Russia.

Currently, cooperation in high technologies is becoming increasingly important. Russia's scientific and technical potential makes it possible to develop many large-scale joint projects in new energy, energy-saving technologies, advanced materials, nanotechnologies and the rational use of natural resources. It would also be wise to advance cooperation in the digital economy, including e-commerce, software development, network security and e-payment systems.

Developing interaction in services is particularly important. Given the linking of the EAEU and the BRI, it is necessary to actively promote cooperation in international transportation along transcontinental routes between China and Europe, improving their quality and service efficiency. It is also necessary to develop various types of added-value tourist services and to study the possibilities of diversifying financial services. At the same time, it is important to introduce innovations, and it would also be wise to use the mechanism of private-public partnerships.

The World Trade Organization and the International Monetary Fund predict that global economic growth will slow down in 2019 and that this will be due, among other things, to the influence of trade wars.²⁰² This slowdown will restrict Russia–China economic cooperation. Given the new challenges, it is necessary to take

¹⁹⁹ Priorities of Far East Trade and Economic Cooperation Determined in China // Ministry for the Development of the Russian Far East, November 19, 2018. URL: <https://eng.minvr.ru/press-center/news/19835/>

²⁰⁰ First Haier Plant in Russia Opened in Naberezhnye Chelny // Tatar-Info, April 22, 2016. URL: <https://www.tatar-info.ru/news/2016/04/22/500824/> (In Russian).

²⁰¹ Hisense Opens Office in Russia // Rambler, May 2, 2018. URL: <https://finance.rambler.ru/business/39753435-kompaniya-hisense-otkryla-predstavitelstvo-v-rossii/> (In Russian).

²⁰² Victims of the Barrier War: Trump Crashes Global Trade // Gazeta.ru, April 2, 2019. URL: <https://www.gazeta.ru/business/2019/04/02/12280381.shtml> (In Russian).

effective steps to eliminate the shortcomings in the institutional mechanisms of bilateral cooperation in trade and economy. For this purpose, it is important to focus on long-term development, switching from cooperation that is focused on individual projects to systemic collaboration, formulating norms and ensuring long-term institutional guarantees, including within the reform of the WTO and the rules of multilateral trade system.

5.3. Russia–China Cooperation in Finance

The Central Bank of Russia and the People's Bank of China continued the policy of building an infrastructure for promoting financial interaction. In 2018, the Central Bank of Russia launched a page for investors on its website in Chinese.²⁰³

In September 2018, the 19th meeting of the Sub-Commission on Financial Cooperation of the Joint Commission for the Regular Meetings of Heads of Government of China and Russia was held in Shenzhen.²⁰⁴ Issues discussed at the meeting included Russia–China inter-bank cooperation, payments in national currencies, enhanced interaction between national payment systems and interaction among insurance companies.

Discussions on the gradual abolition of the US dollar in payments and increasing payments in national currencies continued. Pursuant to the outcome of Russia–China talks, President of the Russian Federation Vladimir Putin said that the two countries believe it necessary to use national currencies in payments taking into account current trends of global economic development.²⁰⁵ He also noted that the use of national currencies is necessary for stable banking services for commercial transactions. For this purpose, an Agreement on Payments in National Currencies, which had developed since 2014, was to be signed in 2018. However, it was reported in December 2018 that China had refused to sign the document.²⁰⁶ The decision was made to continue negotiations on the matter without adopting a declaration of intentions. The refusal to sign the agreement is likely related to the political factor of U.S.–China relations and their trade talks.²⁰⁷ At the same time, experts estimate that payments and import transactions coming into Russia and nominated in Chinese yuan increased.²⁰⁸ In December 2018, the Ministry of Finance of the Russian Federation reported plans to float federal bonds nominated in yuan in 2019.²⁰⁹

²⁰³ Bank of Russia Launches Page for Investors in Chinese on its Website // Central Bank of Russia, March 28, 2018.
URL: <http://cbr.ru/Press/event/?id=1727> (In Russian).

²⁰⁴ Russia–China Sub-Commission on Cooperation in Finance Meets in China // Central Bank of Russia, September 27, 2018
URL: https://www.cbr.ru/today/pk_18642/20180928_01/ (In Russian).

²⁰⁵ Putin: Russia and China Advocate Using National Currencies in Payments // Russia Today, September 11, 2018.
URL: <https://russian.rt.com/business/news/553386-putin-rossiya-kitai-nacvalyuta> (In Russian).

²⁰⁶ China Rejects Transition to Settlements in National Currency with Russia // UAWIRE, December 26, 2018.
URL: <https://www.uawire.org/china-rejects-transition-to-settlements-in-national-currency-with-russia>

²⁰⁷ China Does Not Risk Getting Involved with Rouble // Kommersant, December 27, 2018.
URL: <https://www.kommersant.ru/doc/3843582> (In Russian).

²⁰⁸ China Rejects Transition to Settlements in National Currency with Russia // UAWIRE, December 26, 2018.
URL: <https://www.uawire.org/china-rejects-transition-to-settlements-in-national-currency-with-russia>

²⁰⁹ Russia's Ministry of Finance Plans to Float Yuan-Nominated Federal Loan Bonds in 2019 // TASS, December 6, 2018.
URL: <https://tass.ru/ekonomika/5877662> (In Russian).

In 2018, discussions continued on the bolstering of collaboration in payment systems. The matter is particularly relevant due to the growing volume of mutual payments between Russia and China. For instance, the average funds transfer from China to Russia grew compared to 2016. This positive trend has been in evidence since the 1st quarter of 2017 (Fig. 2). Stepping up development of the payment infrastructure is particularly relevant given the increased collaboration in developing e-commerce, particularly the expected launch of Russia's virtual booth on Tmall.com.²¹⁰

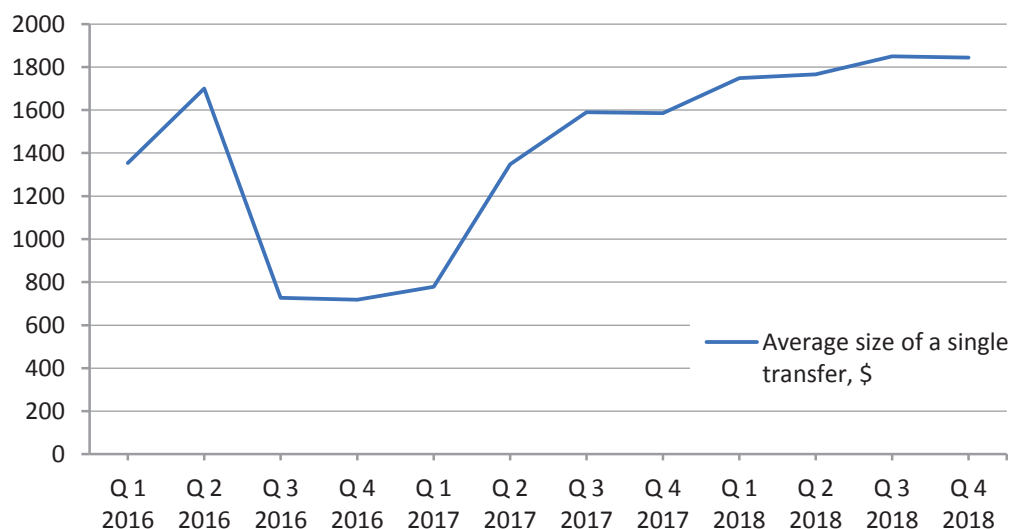


Figure 2. Average Funds Transfer from China to Russia, \$

Source: Drafted by Alexander Larionov using data from: Foreign Sector Statistics // The Central Bank of Russia.
URL: <http://cbr.ru/statistics/?PrTId=svs>

The matter of launching a system that would reduce dependence on SWIFT was also discussed.²¹¹ Such a system would make it possible to neutralize the possible harmful effects of potential sanctions on inter-company payments. Given the latest trends, discussions are expected to continue in 2019 on the possibility of developing Russia–China equivalent to SWIFT.

The issuance of UnionPay–Mir cards by the Russian Regional Development Bank (VBRB) was a key achievement of Russia–China collaboration in 2018.²¹² Such cards allow their holders to conduct transactions in Russia using the Mir payment system, while payments abroad go through UnionPay. Such projects may solve

²¹⁰ Made in Russia, Purchased in China // Rossiyskaya gazeta, February 11, 2019.

URL: <https://rg.ru/2019/02/11/eksport-rossijskih-tovarov-v-kitaj-vperve-za-13-let-prevysil-import.html> (In Russian).

²¹¹ China and Russia Look to Ditch Dollar with New Payments System in Move to Avoid Sanctions // South China Morning Post, November 22, 2018. URL: <https://www.scmp.com/economy/china-economy/article/2174453/china-and-russia-look-ditch-dollar-new-payments-system-move>

²¹² UnionPay, Mir and VBRB Agree to Start Issuing UnionPay–Mir Co-Badged Cards // UnionPay International, July 11, 2018. URL: <https://www.unionpayintl.com/ru/mediaCenter/newsCenter/companyNews/4030.shtml> (In Russian).

the problem of using Mir cards abroad. Therefore, collaboration between Russian banks and UnionPay may be enhanced in 2019. Developing cooperation in this area may be less affected by different foreign political situations. The current UnionPay's acceptance network in Russia covers over 85 per cent of the country.²¹³ Alipay payment services and other payment options have been launched in Russia.²¹⁴

At the same time, no solution was found in 2018 for the problem of Chinese banks refusing to conduct transactions or extending transaction timeframe for Russian companies and individuals.²¹⁵ In such instances, Chinese banks cite the sanctions imposed by the European Union and the United States on Russia, although China did not accede to the restrictive measures. Vladimir Danilov, Head of the Bank of Russia's Office in China, believes that there is a problem of banks misinterpreting the sanctions, an issue that can be resolved by providing clarifications to China's commercial banks.²¹⁶

Overall, financial cooperation in 2018 may be described as limited.

5.4. Regional Dimension of the Interaction

The most significant achievements in Russia–China interaction in 2018 took place in interregional collaboration. The 2018 successes were largely achieved as part of the Years of Russian–Chinese Interregional Cooperation.²¹⁷

In August 2018, the Chinese city of Dalian hosted the Second Intergovernmental Russia–China Commission on Cooperation and Development of the Russian Far East and Baikal Region and Northeast China.²¹⁸ The EEF also featured a round table of heads of Russian and Chinese regions, which was attended by the heads of both states.²¹⁹ In July 2018, a total of 203 enterprises from 14 Chinese provinces (districts and cities) and nine Russian regions assembled at the Russia–ChinaEXPO in Yekaterinburg.²²⁰ The First Russia–China Interregional

²¹³ UnionPay, Mir and VBRR Agree to Start Issuing UnionPay-Mir Co-Badged Cards // UnionPay International, July 11, 2018. URL: <https://www.unionpayintl.com/ru/mediaCenter/newsCenter/companyNews/4030.shtml> (In Russian).

²¹⁴ Alibaba Ties with Russian Firms on E-Commerce Platform that will Use Moscow's Own Payment System // CNBC, September 11, 2018. URL: <https://www.cnbc.com/2018/09/11/alibaba-ties-with-russian-partners-for-an-e-commerce-platform.html>

²¹⁵ Media: Chinese Banks Refuse to Serve Russians because of Sanctions Risk // UAWIRE, October 25, 2018. URL: <https://uawire.org/media-chinese-banks-refuse-to-serve-russians-due-to-the-risk-of-sanctions>

²¹⁶ Central Bank of Russia Says Chinese Banks' Refusal over Anti-Russian Sanctions Was Groundless // Channel 5 (Rossiya), September 15, 2018. URL: <https://www.5-tv.ru/news/220384/cbrfnazval-bezosnovatelnyy-otkaz-kitajskih-bankov-izza-sankcij-protiv-rossii/> (In Russian).

²¹⁷ Press Release on the Start of the Years of Russian–Chinese Interregional Cooperation Project // Ministry of Foreign Affairs of the Russian Federation, February 12, 2018. URL: http://www.mid.ru/en/web/guest/maps/cn/-/asset_publisher/WhKWb5DVBqKA/content/id/3070896

²¹⁸ Intergovernmental Russia–China Commission on Cooperation and Development of the Russian Far East and Baikal Region and Northeast China Holds its Second Meeting // Government of Russia, August 22, 2018. URL: <http://government.ru/news/33726/> (In Russian).

²¹⁹ Meeting with Participants of the Round Table on Russian–Chinese Interregional Cooperation // President of Russia, September 11, 2018. URL: <http://en.kremlin.ru/events/president/news/58529>

²²⁰ China Import Expo Increases Belt and Road Cooperation // Chinese Information Internet Center, July 26, 2018. URL: http://english.scio.gov.cn/beltandroad/2018-07/26/content_57829375.htm

Cooperation Park opened in Qingdao.²²¹ The city administration of Qingdao plans to invest 30 billion roubles in the Russia–China interregional cooperation park in Moscow and ensure its collaboration with the Qingdao park in order to advance Chinese entrepreneurship in Russia.²²²

Several Russian regions have succeeded in enhancing cooperation with Chinese partners and attracting significant Chinese investment. In the Russian Far East, Chinese investment accounts for 7 per cent of the total investment,²²³ as well as 80 per cent of total foreign investment, and the number of Chinese investors is still growing.²²⁴ Chinese companies are closely involved in the activities of Free Port of Vladivostok and zones of advanced development in the Russian Far East, taking part in 30 projects in total.²²⁵ Investment into these projects totalled over \$4 billion in 2017, spanning agriculture and forestry, manufacture of construction materials, light industry, the energy sector, mineral resources production, commerce, and other areas.²²⁶ In 2017, China's trade turnover with Russia's Far Eastern Federal District exceeded \$7.7 billion.²²⁷

Political, economic and cultural interaction between Russian and Chinese regions is spreading inland from the border regions, spanning the entire territories of both states. Broad cooperation between regions and cities has been established.

Signing framework agreements between regions is an important mechanism of regional interaction. Among the most active Russian regions are the Republic of Bashkortostan, the Republic of Mordovia, the Chuvash Republic and the Samara Region, while the most active Chinese regions include the provinces of Sichuan, Anhui and Hubei and the city of Chongqing.²²⁸ Most agreements are related to developing cooperation in commerce and science.

It would be wise to judge the success of regional interaction from the point of view of individual projects. Success in implementing individual projects at the regional level has a positive influence on the socioeconomic development of the regions by ensuring a flow of investment and creating new jobs. Such projects provide the necessary interaction experience, which will be useful for both the Russian

²²¹ Russia–China Interregional Cooperation Park Opened in Qingdao // Chinese Information Internet Center, May 2, 2018. URL: http://russian.china.org.cn/exclusive/txt/2018-05/02/content_51083139.htm (In Russian).

²²² Li Hui: To Strengthen Development Consensus and Create a Path for Mutual Prosperity // Rossiyskaya gazeta, September 9, 2018. URL: <https://rg.ru/2018/09/09/posol-knr-v-rf-rossii-i-kitaj-sozdadut-put-k-sovmestnomu-prosvetaniyu.html> (In Russian).

²²³ Chinese Investment into Far Eastern Projects is Estimated at 7% // Delovoy Peterburg (Business Petersburg), September 9, 2018. URL: https://www.dp.ru/a/2018/09/09/Obemi_investicij_Kitaja_v (In Russian).

²²⁴ In 2018, Chinese Investment in the Far East Will Remain at 80% // Moskovsky Komsomolets, December 26, 2018. URL: <https://www.mk.ru/economics/2018/12/26/investicii-knr-ostayutsya-na-urovne-80-vsekh-inostrannykh-vlozheniy-v-dfo.html> (In Russian).

²²⁵ Over 30 Projects are Implemented in Far Eastern ZAD with Chinese Capital Participation // TASS, August 21, 2018. URL: <https://tass.ru/ekonomika/5474516> (In Russian).

²²⁶ China is Implementing 28 Projects in the Far East Worth \$4 Billion // Rossiyskaya gazeta, December 29, 2017. URL: <https://rg.ru/2017/12/29/kitaj-realizuet-na-dalnem-vostoke-28-proektov-na-4-mlrd-dollarov.html> (In Russian).

²²⁷ Eastern Economic Forum Plenary Session // President of Russia, September 12, 2018. URL: <http://en.kremlin.ru/events/president/news/58537>

²²⁸ Developing Interregional Cooperation Discussed in Volga Federal District in the Volga–Yangtze Format // My Udmurtia, July 19, 2018. URL: <http://www.myudm.ru/news/2018-07-19/razvitiye-mezhregionalnogo-sotrudnichestva-obsudili-v-pfo-v-formate-volga-yantszy-fot> (In Russian).

and Chinese parties. A positive experience will increase future investment. The most promising investment projects in 2018 were:

- 1) The negotiations conducted with China's SINOMEC Machine Tool Manufacture Corporation.²²⁹ An agreement of intent was signed on the construction of an oil refinery with approximately 50 billion roubles in planned investment. SINOMEC, Rosneft and Rosgeo may cooperate as part of this project.
- 2) The construction of a pulp and paper plant in Khabarovsk.²³⁰ Construction is slated to start in 2019. The plant will produce 500,000 tonnes of sulphate pulp annually.²³¹ The main socioeconomic effect for the region will be the creation of over 2000 new jobs.
- 3) The continued work on the construction of a cement plant in the city of Sibay in the Republic of Bashkortostan. The plant will have a manufacturing capacity of 5000 tonnes of clinker a day.²³² A land plot was leased for building the plant. Junhe Sichuan Environmental Protection Company is expected to invest 13 billion roubles in the project. The plant is now being designed, and the workflow chart is being drafted.
- 4) The signing of a trilateral agreement between the government of the Saratov Region, Gorny Special Purpose Company and China's Wuhuan Engineering on the construction of a mineral fertilizer plant.²³³ The Chinese party is slated to receive a 65-per cent share in the enterprise, investing a total of \$1.5 billion. The project is interesting because it clearly sets forth the obligations of all parties; e.g. the government of the Saratov Region undertakes to solve land issues and set up interaction with municipalities. Under the project's roadmap, the plant will be put into operation in 2024.
- 5) The resumption of discussions in 2018 on the project to jointly manufacture nitrile butadiene rubber in Shanghai.²³⁴ The project had been under discussion yet was suspended due to changes on the market.

When analysing Russia–China collaboration, the focus is usually on large federal and regional projects. However, experts estimate that small and medium-sized Chinese businesses have been active in Russia for the last 30 years. As of February 2018, a total of 5867 Chinese companies were operating in Russia.²³⁵

²²⁹ Oil Refinery to Build in Primorye Chinese Investor // East Russia, July 29, 2019.

URL: <https://www.eastrussia.ru/en/news/heftepererabatyvayushchiy-zavod-postroit-v-primore-kitayskiy-investor/>

²³⁰ The Volume of Chinese Investments in the Projects of the Far East Amounted to 7% // Oreanda, September 9, 2018.

URL: <https://www.oreanda.ru/en/gosudarstvo/the-volume-of-chinese-investments-in-the-projects-of-the-far-east-amounted-to-7/article1249293/>

²³¹ The Construction of a Pulp and Paper Mill in Amursk will Begin in 2019 Year// East Russia, August 23, 2018. URL: <https://www.eastrussia.ru/en/news/stroitelstvo-tselyulozno-bumazhnogo-kombinata-v-amurske-nachnetsya-v-2019-godu/>

²³² From Water-Bearer to Cement King. What is Behind the Chinese Project in Bashkiria // Realnoe Vremya, December 10, 2018. URL: <https://realnoevremya.com/articles/3106-chinese-investors-want-to-build-a-cement-plant-in-sibay>

²³³ Plant Waiting for China's Approval // Kommersant, August 16, 2018.

URL: <https://www.kommersant.ru/doc/3714385> (In Russian).

²³⁴ Sibur and Sinopec Sign Agreements to Jointly Produce and Sell Petrochemicals // SIBUR, June 5, 2019.

URL: http://investors.sibur.com/investor-news/2019/june/sibur-sinopec-agreements.aspx?sc_lang=en

²³⁵ Kashin V., Druzhinin A. Despite the Crisis: How Chinese Business Expands its Presence in Russia // RBC, April 24, 2018. URL: <https://www.rbc.ru/opinions/economics/24/04/2018/5adee8c39a7947b744df3c90> (In Russian).

Most Chinese companies work in Moscow (1946), Primorsky Krai (652), St. Petersburg (366) and the Amur Region (327). Russian studies show that Chinese small and medium-sized business is present in 74 Russian regions.²³⁶ Since the number of companies is growing regardless of the macroeconomic situation, it is logical to suppose that the development of Chinese business is mostly restricted by a lack of knowledge of the specifics of doing business in Russia. Therefore, this barrier may be overcome in 2019 by improving the awareness of Russian and Chinese manufacturers through specialized reports that disclose the specifics of Russian regulations.

* * *

Russia and China make use of their competitive edge, and the mutual trade reflects successes in their interaction. Trade successes stimulate the accumulation of experience and the development of infrastructure required to support stable interaction. They also open significant opportunities to advance financial cooperation both at the level of payment systems and in banking. Increasing interaction in e-commerce will be a major stimulus for developing the payment infrastructure, which will have positive effect on payment services. Developing the payment infrastructure may take the form of introducing co-badged UnionPay cards.²³⁷ Such projects may make online shopping more convenient.

It appears that investment collaboration will be developed primarily through individual projects. This stage will make it possible to accumulate the necessary experience to implement individual initiatives that are important for certain regions. With this, interregional cooperation retains its special significance. In turn, intensive interaction will make it possible to transition in the future to extensive interaction in connection with the general increase in investments between Russia and China. It is particularly important to choose investment projects that create maximum positive externalities.

²³⁶ Kashin V., Druzhinin A. Despite the Crisis: How Chinese Business Expands its Presence in Russia // RBC, April 24, 2018. URL: <https://www.rbc.ru/opinions/economics/24/04/2018/5adee8c39a7947b744df3c90> (In Russian).

²³⁷ UnionPay, Mir and VBRR Agree to Start Issuing UnionPay-Mir Co-Badged Cards // UnionPay International, July 11, 2018. URL: <https://www.unionpayintl.com/ru/mediaCenter/newsCenter/companyNews/4030.shtml> (In Russian).

6. Role of Science and Technology in Russia–China Ties

6.1. Russia–China Cooperation in Science and Technology

Russia–China cooperation in science and technology has many dimensions. Today marks a new stage in the development of this cooperation, which prioritizes the further expansion of academic ties and increasing the efficiency of interaction in new applied technologies and fundamental research.

On April 2, 2019 the 11th Meeting of the Russia–China Working Group for High Technologies and Innovations of the Sub-Commission on Scientific and Technical Cooperation of the Joint Commission for the Regular Meetings of Heads of Government of China and Russia was held in Moscow. A mechanism was launched for the coordinated competitive selection of joint projects. Creating joint laboratories and research centres was discussed, primarily in those areas where research problems require international collaboration and their solutions are relevant for the entire global community.²³⁸ Priority collaboration areas include natural disaster prevention and disaster relief, combating air and water pollution, geospatial technologies, new and renewable energy sources, astronomy, biotechnologies and biomedicine, oceanic and polar sciences, nanotechnologies, photonics, research infrastructures, mega science projects, etc.²³⁹ Mega science is a particularly promising area. A joint working group has been formed for developing proposals on areas of scientific collaboration, determining the mechanism and format of China's participation in the NICA Project at the Joint Institute for Nuclear Research.²⁴⁰

The Roadmap for Russia–China Scientific and Technical Cooperation, which includes provisions on interaction in joint competitions, mega science projects, developing a research infrastructure, attracting young scientists to joint research projects, and other matters, is an important step for the future. The Chinese side has also proposed draft Targeted Programme on exchanges for young Chinese and Russian scientists.²⁴¹

In October 2018, the Open Innovations Forum in Moscow featured a Russia–China Science, Technology and Innovations Day. Russia and China agreed to hold the Second Russia–China Science and Technology Day in June 2019 in

²³⁸ Grigory Trubnikov: The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership between our Countries // Ministry of Science and Higher Education of the Russian Federation, April 2, 2019. URL: https://m.minobmauki.gov.ru/ru/press_center/card/?id_4=1229 (In Russian).

²³⁹ Grigory Trubnikov: The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership between our Countries // Ministry of Science and Higher Education of the Russian Federation, April 2, 2019. URL: https://m.minobmauki.gov.ru/ru/press_center/card/?id_4=1229 (In Russian).

²⁴⁰ The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership // Siberian Science News, April 3, 2019. URL: <http://www.sib-science.info/ru/fano/grigoriy-02042019> (In Russian).

²⁴¹ The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership // Siberian Science News, April 3, 2019. URL: <http://www.sib-science.info/ru/fano/grigoriy-02042019> (In Russian).

Harbin.²⁴² In July 2018, the China–Russia EXPO in Yekaterinburg included a round table on research and its practical applications in manufacturing.²⁴³ Thematic conferences, round tables and exhibitions are planned to include increased participation of young scientists, students and graduate students.

The Russia–China Joint Declaration of June 8, 2018 makes special mention of space as an area of cooperation in high technologies. Advancing collaboration under the Program for Developing Cooperation in Outer Space between the Roscosmos State Corporation for Space Activities (Roscosmos) and China National Space Administration (CNSA) for 2018–2022 is listed as one of the crucial tasks in bilateral cooperation, while also jointly promoting cooperation in space science within BRICS.²⁴⁴

Russia–China cooperation in space research exhibited positive dynamics in previous years. In November 2017, Roscosmos and the CNSA signed cooperation programme for 2018–2022. The programme has six sections: studying the Moon and deep space; space science and related technologies; satellites and their uses; element base and materials; cooperation in remote sensing of the Earth; and monitoring space debris.²⁴⁵

At the International Space Exploration Forum in Tokyo on March 3, 2018, Roscosmos and the CNSA signed an agreement of intent on the exploration of the Moon and deep space and the establishment of a Joint Data Center for Lunar Projects. The parties discussed the possibility of interaction as part of the Russian mission to launch the Luna-Resurs-1 (Luna-26) orbital space craft in 2022 and the Chinese mission to land near the Moon's South Pole in 2023.²⁴⁶

Roscosmos and the CNSA signed an agreement on monitoring space debris and the practical use of the data collected.²⁴⁷ Additionally, Russia and China signed an intergovernmental agreement on cooperation in the peaceful use of the GLONASS and BeiDou global navigation systems, laying the legal and logistical groundwork for broad practical collaboration in satellite navigation.²⁴⁸

There are equally ambitious plans for nuclear energy, which is another priority sector. In June 2018, an intergovernmental protocol and a framework contract

²⁴² The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership // Siberian Science News, April 3, 2019.
URL: <http://www.sib-science.info/ru/fano/grigoriy-02042019> (In Russian).

²⁴³ The Joint Projects of Russia and China in Academic and Educational Cooperation: An Important Part of the Strategic Partnership // Siberian Science News, April 3, 2019.
URL: <http://www.sib-science.info/ru/fano/grigoriy-02042019> (In Russian).

²⁴⁴ Joint Statement of the Russian Federation and the People's Republic of China // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/supplement/5312>

²⁴⁵ Roscosmos Head, Senior Chinese Official Discuss Prospects for Space Cooperation // TASS, September 27, 2018.
URL: <https://tass.com/science/1023333>

²⁴⁶ Work on First Launch Day Schedule Complete At the Guiana Space Centre Launching Area // Quant, March 7, 2018.
URL: <http://nppkpkvant.ru/category/roskosmos/page/12/> (In Russian).

²⁴⁷ 23rd Regular Meeting of Russian and Chinese Heads of Government // Government of Russia, November 7, 2018.
URL: <http://government.ru/en/news/34600/>

²⁴⁸ China and Russia Sign Agreement For BeiDou And GLONASS GNSS Cooperation // Spacewatch Global, November 7, 2018.
URL: <https://spacewatch.global/2018/11/china-and-russia-sign-agreement-for-beidou-and-glonass-gnss-cooperation/>

were signed for the construction of units 7 and 8 of the Tianwan NPP with VVER-1200 reactors. The contract was signed by Rosatom and the China National Nuclear Corporation (CNNC). Additionally, a protocol and a framework contract were signed for the construction of units 3 and 4 of the Xudabao NPP (in Liaoning province) with VVER-1200 reactors. At the China International Import Expo in Shanghai on November 6, 2018, Russia and China signed the contract for developing the engineering design of units 7 and 8 of the Tianwan NPP and contracts for the CFR-600 fast-neutron nuclear reactor. ASE (the engineering division of Rosatom State Corporation) and the CNNC agreed to develop engineering and the priority detailed design of new units of the Tianwan NPP with VVER-1200 reactors. Cooperation is based on Russia's cutting-edge III+ technologies. Unit 7 of the Tianwan NPP should be commissioned in 2026, while the commissioning of unit 8 will follow in 2027. Both units of the Xiudaipu NPP should be commissioned in 2028.²⁴⁹

OKBM Afrikantov and the CNNC signed executive contracts on building a CFR-600 fast-neutron nuclear demonstration reactor in the Fujian province. The parties agreed on comprehensive collaboration that includes deliveries of unique equipment, training Chinese personnel, granting licenses to use Russian analytical and calculation codes and the expert assessment of documentation.²⁵⁰

The June agreement package includes another interesting contract for a new shipment of radioactive heater units that are part of the radioisotope thermoelectric generators of the Chinese lunar programme.²⁵¹ The delivery was completed in November 2018.²⁵²

Since Rosatom has been actively developing nuclear projects in recent years that are connected not only with the energy sector, but also with nuclear medicine, digitalization, composite materials, 3D-printing and machine tool building, we cannot rule out Russian and Chinese nuclear sectors cooperating in the foreseeable future on a wide range of cutting-edge scientific areas.

6.2. Russia–China Cooperation in Artificial Intelligence

The development of artificial intelligence technologies has become one of the main areas of competition between large powers over the past decade. Both Russia and China currently channel significant efforts into making progress in both civilian and military applications of AI.

China launched its ambitious AI development programme in 2017. The programme is intended to transform AI into a new, rapidly growing economic sec-

²⁴⁹ Rosatom Expands Overseas Links with New Agreements // World Nuclear News, May 16, 2018.

URL: <http://www.world-nuclear-news.org/C-Rosatom-expands-overseas-links-with-new-agreements-16051801.html>

²⁵⁰ On the Chinese Scale // Strana Rosatom, November 13, 2018.

URL: <http://strana-rosatom.ru/2018/11/13/c-китайским-размахом/> (In Russian).

²⁵¹ Rosatom Expands Overseas Links with New Agreements // World Nuclear News, May 16, 2018.

URL: <http://www.world-nuclear-news.org/C-Rosatom-expands-overseas-links-with-new-agreements-16051801.html>

²⁵² The 23rd Session of Chinese-Russian Nuclear Subcommittee Took Place // Rosatom, July 19, 2019.

URL: <https://www.rosatom.ru/en/press-centre/news/the-23rd-session-of-chinese-russian-nuclear-subcommittee-took-place/>

tor with a total production worth of 1 trillion yuan by 2030.²⁵³ By this time it is expected to account for 0.8–1.4 per cent of the GDP growth a year.²⁵⁴ The Chinese strategy for the development of artificial intelligence involves significant private and public investment under a powerful coordinating centre and close ties between military and civilian innovations. The Chinese Association for Artificial Intelligence (CAAI) is headed by Major General Li Deyi, who works for one of the research centres of the Chinese People's Liberation Army.²⁵⁵

China holds leading positions in the global competition in AI for peaceful purposes. It has the world's largest number of research papers on the subject, accounting 27.68 per cent of total research on the subject in 2017.²⁵⁶ China has had the largest number of high citation index works since 2013.²⁵⁷ The total number of studies into AI in China in 1997–2017 exceeded 350,000. As of 2017, China had the world's second highest number of specialists working in AI after the United States, with 18,232 out of the 204,575 AI experts (8.9 per cent) around the world.²⁵⁸ China leads in the number of patents in the sector: China, the United States and Japan account for 74 per cent of the total number of patents in AI, and China far outstrips the other two countries.²⁵⁹ China is among the leaders in the number of AI companies and their total capitalization: the sector has been growing since 2012, and as of June 2018, the number of such enterprises in China exceeded 1000, second most in the world. In 2013–2018, investment in AI exceeded that of the United States, making China the global leader.²⁶⁰ A huge market for AI use has formed in China, and it may become the world's largest in the near future.

China's successes in developing AI are largely due to long-term strategic planning. Since 2015, the State Council, the National Development and Reform Commission, the Ministry of Industry and Information Technology and the State Council Information Office released a series of programmatic documents ensuring a favourable political environment and sufficient financial support for development of technological and commercial sectors, which creates a positive reaction on

²⁵³ Google is Building Its Next AI Research Center in China // The Next Web, December 13, 2017.
URL: <https://thenextweb.com/artificial-intelligence/2017/12/13/google-is-building-its-next-ai-research-center-in-china/>

²⁵⁴ Artificial Intelligence: Implications for China // McKinsey Global Institute, April 2017.
URL: <https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/China/Artificial%20Intelligence%20Implications%20for%20China/MGI-Artificial-intelligence-implications-for-China.ashx>

²⁵⁵ China, Russia, and the U.S. are all building Centers for Military AI // Defense One, July 11, 2018.
URL: <https://www.defenseone.com/technology/2018/07/china-russia-and-us-are-all-building-centers-military-ai/149643/>

²⁵⁶ China Attracts 60% of Global AI Investment: Report // The Global Times, July 13, 2018.
URL: <http://www.globaltimes.cn/content/1110703.shtml>

²⁵⁷ Kovalev M., Wang Xing. China in the 21st Century: A Global Innovative Power. Minsk: BSU Press, 2017, p.117.

²⁵⁸ Zhongguo rengong zhineng fazhan baogao [China AI Development Report] // Qinghua daxue zhongguo keji zhengce yanjiu zhongxin.
URL: <http://stdaily.com/index/kejixinwen/2018-07/13/689842/files/f3004c04e7de4b988fc0b63decedfae4.pdf>
(In Chinese).

²⁵⁹ China AI Development Report 2018 // China Institute for Science and Technology Policy at Tsinghua University, July 2018.
URL: http://www.sppm.tsinghua.edu.cn/eWebEditor/UploadFile/China_AI_development_report_2018.pdf

²⁶⁰ China AI Development Report 2018 // China Institute for Science and Technology Policy at Tsinghua University, July 2018.
URL: http://www.sppm.tsinghua.edu.cn/eWebEditor/UploadFile/China_AI_development_report_2018.pdf

the markets.²⁶¹ Nonetheless, the AI industry in China still lacks professionals, resources, and capacities, and it still clearly lags behind the United States. In general, China is seen as the world's second leading country in the level of development of civilian AI.

In Russia, the National AI Development Strategy is in the final stage of development, and is set to be published in late May 2019.²⁶² However, the state has been conducting a proactive policy in the area via several agencies (the Ministry of Digital Development, Communications, and Mass Media of the Russian Federation; the Ministry of Industry and Trade of the Russian Federation, etc.) and other departments, in particular military and military-industrial bodies (the Russian Foundation for Advanced Research Projects in the Defence Industry) for a number of years now. Several Russian statespersons, including President of the Russian Federation Vladimir Putin, have made statements on the priority of artificial intelligence for the future of the Russian economy and its defence capabilities.²⁶³

Just like in China, the military plays an important role in AI development in Russia. The Ministry of Defence of the Russian Federation holds regular conferences on AI,²⁶⁴ and plans to transform the Era Military Innovation Technopolis into an AI development center.²⁶⁵ One such conference was the "Artificial Intelligence: Problems and Possible Solutions 2018", organized by the Ministry of Defence of the Russian Federation, the Ministry of Education and Science of the Russian Federation and the Russian Academy of Sciences.²⁶⁶

Chinese specialists consider the development of the AI sector in Russia to be unsatisfactory. The country's performance in terms of the number of studies and patents, the number of people working in the industry, and the market and financing volume are seen as low. According to the Russian Association of Electrotechnical Companies (RAEC), the AI and machine learning market was worth 700 million roubles in 2017, and it should grow to 28 billion roubles by 2020. Russia spent 23 billion roubles on R&D in AI in the period of 2007–2017, which is significantly less than in China or the United States.²⁶⁷

Russia and China are engaged in an active dialogue on artificial intelligence. Prime Minister of the Russian Federation Dmitry Medvedev has stated that Russia

²⁶¹ Zhongguo rengong zhineng fazhan baogao [China AI Development Report] // Qinghua daxue zhongguo keji zhengce yanjiu zhongxin.

URL: <http://stdaily.com/index/kejixinwen/2018-07/13/689842/files/f3004c04e7de4b988fc0b63decedfae4.pdf> (In Chinese).

²⁶² Artificial Intelligence Development Almanac Published in Russia // Analytical Center for the Government of the Russian Federation, June 6, 2019. URL: <http://ac.gov.ru/en/events/022303.html>

²⁶³ Putin: Leader in Artificial Intelligence will Rule World // CNBC, September 4, 2017.

URL: <https://www.cnbc.com/2017/09/04/putin-leader-in-artificial-intelligence-will-rule-world.html>

²⁶⁴ "Artificial Intelligence: Problems and Possible Solutions 2018" Conference // Ministry of Defence of the Russian Federation. URL: <http://mil.ru/conferences/is-intellekt.htm> (In Russian).

²⁶⁵ The New "Era": How the Russian Ministry of Defence Develops a Unique Military Technopolis // International News, April 16, 2019. URL: <https://www.tellerreport.com/news/-new-%22era%22-how-the-russian-ministry-of-defense-develops-a-unique-military-technopolis-.HJxcPxfX5N.html>

²⁶⁶ Russian Minister of Defence Welcomes the Artificial Intelligence Conference // Ministry of Defence of the Russian Federation. http://eng.mil.ru/en/news_page/country/more.htm?id=12166652@egNews

²⁶⁷ RAEC: The Russian AI Market Will Grow 40 Times in Two Years // Hitech+, December 14, 2018.

URL: <https://hightech.plus/2018/12/14/raec-rossiiskii-rinok-ii-za-dva-goda-virastet-v-40-raz> (In Russian).

hopes to attract Chinese investment into AI, among other priority areas.²⁶⁸ Currently, there is information about individual arrangements for Chinese companies purchasing Russian technologies; in particular, Huawei plans to acquire Vocord, Russian developer of facial recognition systems.²⁶⁹ New AI projects are being discussed within the framework of the Russia–China Investment Fund. Robotics appears to be a commercially promising area of collaboration between Russian and Chinese companies.

Collaboration in AI could be supported by closer ties between companies working in e-commerce and telecommunications. In particular, China's Alibaba and Russia's MegaFon and Mail.Ru plan to launch a large joint venture in early 2019.²⁷⁰

Russian start-ups face difficulties such as high financing costs, small domestic market capacity and limited opportunities for commercial development. Russia should increase the investment appeal of AI companies that China views as less competitive. Additionally, China believes that restrictions on foreign investment to ensure national security should be set within reasonable limits to make entering into projects and investment collaboration easier.

It would also be wise to develop collaboration between Russia and China in fundamental AI research. Russian research institutions have demonstrated high potential in many AI areas. Moscow and Beijing should expand interaction at the level of research institutions and create mechanisms for long-term cooperation, studying the partner's advantages and implementing in-depth cooperation in specific areas. The results of joint research can form the basis of cooperation at other levels.

Cooperation in military AI remains classified, but it is also likely moving forward, given Russia's significant experience in the practical applications of R&D in this area, including its application in Syria.²⁷¹ Such research proceeds at a slower pace in China, since the country has no experience in the practical military application of AI.

The two countries should focus on preventing a new spiral of the global arms race that could be spurred on by AI development. As one of the most significant military technical innovations since the invention of nuclear weapons, AI can greatly expand weapons capacities and advance the development of relatively cheap and safe systems that are capable of changing the format of warfare. Unequal development of AI technologies can, within a short period of time, broaden the gap in the military power of various international entities, prompting countries

²⁶⁸ 23rd Regular Meeting of Russia and China's Heads of Government // Government of Russia, November 7, 2018.
URL: <http://government.ru/en/news/34600/>

²⁶⁹ China, Russia Put Millions in This Startup to Recognize Your Face // Bloomberg, October 31, 2017.
URL: <https://www.bloomberg.com/news/articles/2017-10-31/chinese-facial-recognition-startup-is-said-to-raise-460-million>

²⁷⁰ Alibaba, Mail.Ru, MegaFon form AliExpress Russia JV to Double Down on E-Commerce in CIS // Tech Crunch, May 29, 2019. URL: <https://techcrunch.com/2019/06/05/alibaba-mail-ru-megaFon-form-aliexpress-russia-jv-to-double-down-on-e-commerce-in-cis/>

²⁷¹ For instance, the Uran-6 mine-clearing robotic system was used in Syria. The Galtel maritime robot was successfully used to search for undetonated ammunition around the port of Tartus. For more details, see: Tartus: Galtel Pilotless Submarine Inspects the Sea Bottom Around Russia's Naval Base in Syria // Federal News Agency, October 5, 2017.
URL: <https://ria.ru/983428-tartus-bespiotnaya-podlodka-galtel-obsleduet-dno-okolo-bazy-vmf-rf-v-sirii> (In Russian).

in possession of the relevant technological capabilities to take part in the arms race, which creates a serious global security threat and affects the interests of Russia and China. Globally, there are still different approaches to the issues of lethal autonomous weapons systems (LAWS) run by AI, yet the main principle of preventing an AI arms race is in the best interests of Russia and China.²⁷² Moscow and Beijing should maintain a dialogue on international legal issues in order to restrict the military use of AI. They should also study the possibilities of working out the ethical norms and sanctions for breaching them and develop relevant technical standards in order to avoid unpredictable risks stemming from technical achievements.

Russia and China should jointly work on preventing new national security threats in the AI era. Additional risks stem from the fact that countries still have limited experience in managing the security and safety of such technologies. Russia and China should hold consultations and develop cooperation to uncover and prevent possible risks and eliminating their causes. Given the specifics of the development of AI technologies, it would be wise to develop targeted cooperation plans.

Finally, Moscow and Beijing should work together to develop a global governance system that corresponds to the characteristics of the AI era. AI is a knowledge- and capital-intensive sector, and entities introducing such technologies have unique features and development paths that differ from traditional ones. Therefore, the current system faces serious challenges. The solution to the problem of AI management should be based on a new multilateral system. Given the experience that the two countries have in building domestic governance systems and participating in global governance, Russia and China could launch bilateral cooperation to enhance coordination and gradually extend useful governance experience to the level of multilateral interaction.

²⁷² The Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects // United Nations Documents, November 19, 2018.
URL: <https://undocs.org/pdf?symbol=en/a/73/514>

7. Russia–China Cooperation in Education, Culture, Sports, Media and Related Areas

7.1. General Assessment of Russia–China Cooperation in Education, Culture, Sports, Media and Related Areas in 2018 and Early 2019

Russia–China cooperation in education, culture, sports, media and related areas continued to develop in 2018. In spring 2018, Vladimir Putin and Xi Jinping were re-elected as heads of their countries at practically the same time. The friendly relations between the two leaders are an additional positive factor in the strategic partnership. To mark their respective contributions to the friendship between Russia and China, the heads of state each received a prestigious award from the partner state: in July 2017, the order of St. Andrew the Apostle the First Called was conferred on Xi Jinping;²⁷³ and in June 2018, the Order of Friendship of the People's Republic of China was conferred on Vladimir Putin.²⁷⁴ Intensive contacts between the two leaders were maintained in 2018. Together, they attended approximately 30 bilateral and multilateral events.²⁷⁵ For instance, in September, Xi Jinping visited Okean National Children's Centre in Vladivostok.²⁷⁶ In April 2019, President of the Russian Federation Vladimir Putin was awarded an honorary doctorate from Tsinghua University during his visit to Beijing.²⁷⁷

In the Joint Statement of June 8, 2018,²⁷⁸ the parties noted that Russia and China should expand and increase the level of bilateral cultural exchanges, boost the public foundations of their relations, enhance friendship and mutual understanding between the two peoples, and implement the Plan for Developing Russia–China Humanitarian Cooperation.

The 19th regular meeting of the Russian–Chinese Commission for Humanitarian Cooperation took place in October 2018 in China.²⁷⁹ The meeting's attendees noted positive trends such as the increased tourist flow between the two countries and discussed the prospects of concluding an agreement on visa-free

²⁷³ Presenting the Order of St Andrew the Apostle to President of China Xi Jinping // President of Russia, July 4, 2017.
URL: <http://en.kremlin.ru/events/president/news/54973>

²⁷⁴ Vladimir Putin Awarded the Chinese Order of Friendship // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/events/president/news/57701>

²⁷⁵ Xin shidai, xin fazhan, xin qidai – 2018 nian zhong-e guanxi hueigu he zhanwang [New Era, New Development, New Expectations: The Retrospect and the Prospects of Russia-China Relations in 2018] // Xingfa xinwen zhongxin, December 17, 2018. URL: <https://news.sina.com.cn/o/2018-12-17/doc-ithqqr7578143.shtml> (In Chinese).

²⁷⁶ Visit to Okean National Children's Centre // President of Russia, September 12, 2018.
URL: <http://en.kremlin.ru/events/president/news/58542>

²⁷⁷ Vladimir Putin Receives Honorary Doctorate at Tsinghua University // President of Russia, April 26, 2019.
URL: <http://en.kremlin.ru/events/president/news/60380>

²⁷⁸ Joint Statement of the Russian Federation and the People's Republic of China // President of Russia, June 8, 2018.
URL: <http://en.kremlin.ru/supplement/5312>

²⁷⁹ Tatyana Golikova Makes Working Visit to China // Government of Russia, October 30, 2018.
URL: <http://government.ru/news/34510/> (In Russian).

travel. Significant success in this area was achieved in 2018 in connection with the FIFA World Cup Russia, which was attended by large numbers of Chinese fans. Additionally, Chinese companies were among the principal advertisers at the World Cup. In November, the Joint Communiqué on the Results of the Meeting of the Heads of Government of Russia and China praised the impact regular meetings had on humanitarian cooperation.²⁸⁰

Humanitarian relations are developing in more areas than contacts at the highest level. 2018–2019 were declared the Years of Russian–Chinese Interregional Cooperation, which reflected the high level and special nature of Russia–China strategic partnership.²⁸¹ Russia and China twinned over 135 pairs of cities, friendly provinces and regions, laying solid social groundwork for a long-term friendship.²⁸² More than 100 events, including the Far Eastern Russia–China Youth Week,²⁸³ the Beijing Night concert programme in Moscow,²⁸⁴ the “Landscapes of the Guangdong Province and Russia” exhibition of Russian and Chinese artists held in the Guangzhou province,²⁸⁵ the Harbin International Ice and Snow Sculpture Festival with Russian participation,²⁸⁶ summer camps for Russian and Chinese students, and others were held in 2018.

It appears that the upcoming 70th anniversary of the establishment of diplomatic relations between Russia and China in 2019 will give an additional impetus to the collaboration. Russia and China will also celebrate the 20th anniversary of the Russian–Chinese Commission for Humanitarian Cooperation.

In order to further enhance cooperation, the parties should pay more attention to liberalizing the visa regime, in particular, to simplifying procedures and extending the validity of visas. Unlike many EU countries and the United States, Russia and China regularly issue single-entry visas for exact travel dates. Given significant time and money required to obtain a visa, this situation hinders the development of tourist exchanges, and to some degree impedes expert, academic and cultural exchanges.

²⁸⁰ 23rd Regular Meeting of Russian and Chinese Heads of Government // Government of Russia, November 7, 2018.
URL: <http://m.government.ru/en/all/34600/>

²⁸¹ Press Release on the Start of the Years of Russian–Chinese Interregional Cooperation Project // Ministry of Foreign Affairs of the Russian Federation, February 12, 2018.
URL: http://www.mid.ru/en/web/guest/maps/cn/-/asset_publisher/WhKWb5DVBqKA/content/id/3070896

²⁸² China's Ambassador to Russia Li Hui on the Results of Russia–China Trade, Economic and Humanitarian Cooperation // Rossiyskaya gazeta, June 4, 2018. URL: <https://rg.ru/2018/06/04/posol-kitaia-v-rossii-nazval-klucheveye-itogi-sotrudnichestva-moskvy-i-pekina.html> (In Russian)

²⁸³ Yuandong zhong e qingshaonian yishuzhou zhu tui difang jiaoliu hezuo [Far Eastern Russia–China Youth Arts Week Advances Regional Cooperation and Exchanges] // Xinhua, January 8, 2018.
URL: http://www.xinhuanet.com/local/2018-01/08/c_1122227834.htm (In Chinese).

²⁸⁴ Mosike yushang beijing ri, beijing zhi ye mosike yu zhiyin [Moscow Welcomes “The Beijing Day”; “Beijing Night” in Moscow] // Sohu, July 29, 2018. URL: http://www.sohu.com/a/243969583_108794 (In Chinese).

²⁸⁵ Zhong e difang hezuo jiaoliu nian – guangdong elosi fengjing huazhan zai guangzhou jiemu [The Year of Russia–China Regional Cooperation: An Exhibition of Landscapes of the Guangdong Province and Russia Opened in Guangzhou] // Zhongguo xinwen wang, April 13, 2018.
URL: <http://www.chinanews.com/cul/2018/04-13/8490601.shtml> (In Chinese).

²⁸⁶ 35th International Ice and Snow Sculpture Festival // Harbin Ice, January 5, 2019.
URL: <http://www.harbinice.com/fact-v43-the-35th-harbin-ice-and-snow-festival-2019.html>

7.2. Russia–China Cooperation in Education

As regards cooperation in education, Russia and China re-confirmed their intention to increase educational exchanges to 100,000 students by 2020.²⁸⁷ In 2018, academic and educational exchanges involved nearly 90,000 people, and student exchanges exceeded 50,000 people.²⁸⁸

At the meeting of the Sub-Commission for Cooperation in Education of the Intergovernmental Russian–Chinese Commission for Humanitarian Cooperation, the participants discussed expanding inter-university collaboration, including providing requisite support for the development of the joint Russian–Chinese University founded by Lomonosov Moscow State University (MSU) and Beijing Institute of Technology (BIT) in Shenzhen. The parties also discussed the continuing development of Russian–Chinese associations between field-specific universities and working on expanding the teaching of the Russian language in China and the Chinese language in Russia.²⁸⁹

The joint Shenzhen MSU-BIT University has been operating successfully since 2017. Classes are currently held in a temporary building while construction is being finished on the university's permanent campus. The university has 34 faculty members from Lomonosov Moscow State University. According to the Chinese side, the university has 241 students enrolled in bachelor programmes and 15 students in master's programmes.

In addition to the MSU-BIT University, there are several similar projects, in particular, an Engineering School established by Jiangsu Normal University and Peter the Great St. Petersburg Polytechnic University,²⁹⁰ a joint institute established by Weinan Normal University and Moscow State Pedagogical University.²⁹¹ However, there is little information about the activities of these universities. The Chinese media calls the university in Shenzhen the first joint Russian–Chinese university, and numerous materials on the university's development are available. The press covered the start of classes at the MSU-BIT University in Shenzhen extensively, all the more so as words of encouragement were uttered by the leaders of both states.²⁹²

Internet users discuss the quality of education and the learning environment at the joint university. For instance, the Zhihu (“Do you know?”) portal collects

²⁸⁷ Russia and China Sign Protocol on Increasing Student Exchanges // Rossiyskoye Obrazovanie, October 30, 2018.
URL: <http://www.edu.ru/news/international/rossiya-i-kitay-podpisali-protokol-ob-udelichenii/> (In Russian).

²⁸⁸ Russia and China Sign Protocol on Increasing Student Exchanges // Rossiyskoye Obrazovanie, October 30, 2018.
URL: <http://www.edu.ru/news/international/rossiya-i-kitay-podpisali-protokol-ob-udelichenii/> (In Russian).

²⁸⁹ Russia and China Sign Protocol on Increasing Student Exchanges // Rossiyskoye Obrazovanie, October 30, 2018.
URL: <http://www.edu.ru/news/international/rossiya-i-kitay-podpisali-protokol-ob-udelichenii/> (In Russian).

²⁹⁰ New Steps in Cooperation between Jiangsu Normal University and SPbPU // Peter the Great St. Petersburg Polytechnic University, October 3, 2017.
URL: <https://english.spbstu.ru/media/news/partnership/delegation-jiangsu-pedagogical-university-visit-spbpu/>

²⁹¹ A Joint Institute will Be Established by Moscow State Pedagogical University (MSPU) and Beijing Pedagogical University in Moscow // Moscow State Pedagogical University, October 10, 2015.
URL: <http://en.mpgu.su/news/established-pedagogical-university/>

²⁹² Shenzhen hebei mosike daxue dansheng ji: xi jinping zhuxi he puting zongtong dou xiang ta zhuhe heci [Opening the MSU-BIT University in Shenzhen: Xi Jinping and President Putin Offer Their Congratulations] // Xingxin zhongxin, September 14, 2017. URL: <http://edu.sina.com.cn/gaokao/2017-09-14/doc-ifykymue6037630.shtml> (In Chinese).

such opinions and statements. Users are split into two camps: supporters of the university, who offer arguments in favour of the Russian education system which, while being inferior to the Soviet education system, still retains its fundamental quality and other basic advantages; and those who criticize the university for its ineffective management, the excessive course load on account of the fact that students have to study Russian language, and the dominance of the MSU in handling all the issues.²⁹³ There are also other grievances concerning the logistics of the educational process.

At the Eastern Economic Forum in September 2018, Minister of Education of the Russian Federation Olga Vasilyeva reported the growing interest among Russian people in learning Chinese. According to her data, Chinese is taught to 19,000 school students in 130 Russian schools.²⁹⁴ Moreover, in 2019, the Chinese language will be included in the State Final Examination for general secondary education as an elective fifth foreign language.²⁹⁵ Chinese-speaking professionals are in particular demand in the space and energy sectors, education and healthcare.²⁹⁶ According to Chinese data, 26,000 students in 230 universities and 12,000 children in 80 secondary schools are studying Chinese in Russia.²⁹⁷ A total of 22 Confucius Institutes and Classes currently operate in Russia.²⁹⁸

According to Chinese statistics, 153 Chinese universities offer “Russian Language” programmes; the Russian language is also taught in 150 universities, 83 secondary schools and six elementary schools.²⁹⁹ A total of 22 Russian Language Centres and Classes currently operate in China.³⁰⁰

Negative factors in cooperation include firstly the fact that obtaining an education in Russia is not particularly attractive to Chinese students, and vice versa. In recent years, the governments of the two countries have taken steps to support and promote education in the partner country. The number of students studying abroad is growing steadily as a result of governmental grants, cooperation programmes between the two countries, and the option of paying for one’s education out of pocket. Nonetheless, Russia and China are still not priority

²⁹³ Jiu du you shenzhen bei li mosike daxueye shi zenyang de tian [What is Your Experience of Studying at MSU-BIT?] // Zhihu. URL: <https://www.zhihu.com/question/62565509> (In Chinese).

²⁹⁴ Vasilyeva: Interest in Studying Chinese is Growing in Russia // TASS, September 11, 2018. URL: <https://tass.ru/vef-2018/articles/5552500> (In Russian).

²⁹⁵ School Graduates Will Take Unified State Exam in Chinese // Rossiyskaya gazeta, August 27, 2018. URL: <https://rg.ru/2018/08/27/vypuskniki-sdadut-ege-po-kitajskomu-izyuku.html> (In Russian).

²⁹⁶ Golikova: These are the Fields Where You Need to Know Chinese // RIA Novosti, October 30, 2018. URL: <https://ria.ru/20181030/1531738746.html> (In Russian).

²⁹⁷ Zhong-e xuezhe shendu duihua qianghua youyan zhengce chenggu jiaoliu huijian [Dialogue between Russian and Chinese Academics, Intensifying Exchanges and the Study of the Results of the Language Policies] // Renmin wang, December 3, 2018. URL: <http://edu.people.com.cn/n1/2018/1203/c1006-30439190.htm> (In Chinese).

²⁹⁸ Protocol of the 16th Meeting of the Russian–Chinese Commission for Humanitarian Cooperation // Official Website of the Ministry of Education and Science of the Russian Federation, July 8, 2016. URL: <http://минобрнауки.рф/документы/8147/файл/7487/Протокол-16.pdf> (In Russian).

²⁹⁹ Zhong-e xuezhe shendu duihua qianghua youyan zhengce chenggu jiaoliu huijian [Dialogue between Russian and Chinese Academics, Intensifying Exchanges and Studying the Results of the Language Policies] // Renmin wang, December 3, 2018. URL: <http://edu.people.com.cn/n1/2018/1203/c1006-30439190.html> (In Chinese).

³⁰⁰ Vasilyeva: Interest in Studying Chinese is Growing in Russia // TASS, September 11, 2018. URL: <https://tass.ru/vef-2018/articles/5552500> (In Russian).

education destinations for students in either country, who prefer universities in the United States, Germany, the United Kingdom and other states with traditionally strong education systems. Given the convenient transportation links, the cultural and linguistic affinities, the cost of education and other factors, Chinese students choose to study in Japan and South Korea, while the Czech Republic remains popular with Russian students.³⁰¹

As Russia–China cooperation deepens, the public and private sectors in both countries are experiencing the shortage of professionals that have a high level of proficiency in the other language. Since Chinese is in great demand among language learners in Russia, there is the illusion that Russia has trained many sinologists. But the fact is that Russians who have studied Chinese rarely use the language in their everyday lives, and their command of the language is rather sub-par. The quality of the training of interpreters and translators depends on the qualifications of the instructors, the capabilities of the students, the overall course load or volume of professional activities, among other factors. Additionally, becoming fluent in a foreign language is a lengthy process. It would thus seem unrealistic to meet the market's demand in the near future. At the same time, there is a noticeable shortage of professionals in individual areas and experts engaged in multidisciplinary studies. Russian experts on China and Chinese experts on Russia mostly research issues in politics and international relations. However, businesses and the state have a growing demand for economists, lawyers and professionals in other areas who are fluent in foreign languages. The shortage of professionals negatively affects advancing cooperation in general.

Moreover, even though the history of Sinology in Russia stretches back over 300 years, Chinese experts think that today, the situation with Chinese studies is gradually deteriorating. The Soviet school of Sinology was justly deemed one of the best in the world, but after the collapse of the Soviet Union, and largely due to the underfunding of science, the younger generation lost interest in Sinology. This resulted in the aging and gradual diminishment of Sinology specialists. The loss of generational continuity becomes increasingly noticeable. The Chinese academic community working in the field of Russian studies also faces the problem of aging scholars and a lack of new ideas.

Russia and China should continue to train professionals who are fluent in a foreign language, increase the number of foreign students receiving stipends and grants from the governments of the two countries and work on improving the image of the MSU-BIT University.

7.3. Exchanges in Culture and Arts

Active collaboration continues to develop in various areas. For instance, the two countries concluded a memorandum of understanding in book publishing with a view to issuing 50 volumes of Chinese literature in Russia and 50 volumes of Russian works in China.³⁰² As of 2017, Russian publishers were slightly ahead

³⁰¹ More Russian Students Are Choosing to Study Abroad // University World News, April 12, 2017.
URL: <https://www.universityworldnews.com/post.php?story=20170412181035229>

³⁰² Russia and China to Bolster Humanitarian Cooperation // EKD!, May 30, 2017.
URL: <http://ekd.me/2017/05/rossiya-kitaj-usilyat-gumanitarnoe-sotrudnichestvo/> (In Russian).

of their Chinese counterparts, having published books by 23 authors, compared to 22 by Chinese publishers. The two parties should step up the distribution of contemporary literature and young adult fiction and upload more books on e-platforms to achieve more in-depth understanding of social life in Russia and China today.

A total of 18 Russian films have been released in China over the past five years, and their box office takings totalled \$65 million.³⁰³ According to Olga Lyubimova, Director of the Cinema Department of the Ministry of Culture of the Russian Federation, the following films were released in China in 2018: *Attraction*, *Ice*, *Salyut-7*, *The Coach* and *The Snow Queen 3*³⁰⁴ (China was involved in the production of this film).³⁰⁵ Special hopes are pinned on two more films due to be released in China: *The Mystery of Dragon Seal: Journey to China (Viy 2)* and *How I Became a Russian*.³⁰⁶ The latter is the remake of the TV show of the same name that the Chinese audiences have already come to like.³⁰⁷ China proposed that the filmmakers make a feature film about a young Chinese man in love with a Russian girl. The film is expected to bring in approximately \$40 million in China.³⁰⁸ China is a dynamic film market, and cooperation with Russia opens great prospects in filmmaking.

Cooperation in animation is also developing successfully. For instance, China's CCTV Animation is working alongside Russia's Riki on the development of *Panda and Krosh* – a joint Russian-Chinese animation series (consisting of 52 12-minute episodes). The first 26 episodes will be aired in late 2019. Success of the project may stimulate further Chinese investment into filmmaking and animation in Russia at various stages (script development, production, post-production, etc.).³⁰⁹

Nevertheless, there is still an insufficient level of mutual understanding between the two countries, along with stereotypes and erroneous notions stemming from the complicated history of bilateral relations and the significant differences in cultures and mindsets between Russian and Chinese people. The parties should actively develop cultural interaction between the younger generations of both countries for Russia–China friendship to continue from generation to generation. For that purpose, it is important to pay great attention to the role of the Internet, new media and social networks. In particular, Russia and China could use video sharing websites and other promotion channels during major cultural events.

³⁰³ 107th Cinema Market: "Developing Regional Film Releases" + Workshop on Russia-China Cooperation // Cinemaplex, December 7, 2018. URL: <http://cinemaplex.ru/2018/12/07/kinorynok-sessia-vorkshop.html> (In Russian).

³⁰⁴ 107th Cinema Market: "Developing Regional Film Releases" + Workshop on Russia-China Cooperation // Cinemaplex, December 7, 2018. URL: <http://cinemaplex.ru/2018/12/07/kinorynok-sessia-vorkshop.html> (In Russian).

³⁰⁵ *Snow Queen 3* Has Great Opening in China // Kinometro, April 8, 2018 r. URL: http://www.kinometro.ru/news/show/name/SnowQueen3_starts_China_7994 (In Russian).

³⁰⁶ 107th Cinema Market: "Developing Regional Film Releases" + Workshop on Russia-China Cooperation // Cinemaplex, December 7, 2018. URL: <http://cinemaplex.ru/2018/12/07/kinorynok-sessia-vorkshop.html> (In Russian).

³⁰⁷ Released in China as *Zhandou minzu yangcheng ji* [The Chronicles of My Becoming Part of a Warlike Nation].

³⁰⁸ The World Premiere of the Film "How I Became Russian" in Beijing // All Media Company, January 15, 2019. URL: http://www.allmediacompany.ru/en/news_items/15

³⁰⁹ Chinese and Russian Animation Together in Co-Production Launch Ceremony // Fun Union, September 17, 2017. URL: <http://www.fununion.net/krash-and-hehe-officially-launched/>

7.4. Sports Exchanges

The legal framework for Russia–China cooperation in sports includes the Memorandum of Understanding between the Ministry of Sport of the Russian Federation and the General Administration of Sport of China on the Establishment of a Working Group to Coordinate the Preparations for and Holding of the Silk Road International Rally, the Memorandum of Understanding between the Ministry of Sport of the Russian Federation and the General Administration of Sport of China on Cooperation in Preparation for the 2022 Winter Olympic Games, and the Memorandum of Understanding between the Ministry of Sport of the Russian Federation and the General Administration of Sport of China on the Establishment of a Russia–China Working Group on Joint Research in High-Performance Sport.³¹⁰

In October 2018, the 19th meeting of the Russian–Chinese Commission for Humanitarian Cooperation approved the Protocol on Cooperation in Sports, which envisions developing cooperation in planning and organizing the 2022 Winter Olympic Games, developing winter sports, exchanging experience on holding large-scale multi-event sports competitions, support for the joint organization of the Silk Road International Rally and conducting joint research projects in sports.³¹¹

In December 2018, Ufa hosted the II Russian–Chinese Youth Winter Games,³¹² in which 98 athletes from each country competed.³¹³ The Games have been held since 2006, with summer editions being held in Tianjin (2006), Moscow (2007), Beijing (2009), Penza (2011), Shanghai (2013), Irkutsk (2015) and Guangzhou (2017). The first winter games were held in Harbin in 2017.

The Organizing Committee of the 2019 Winter Universiade in Krasnoyarsk and the Federation of University Sports of China competitively selected several dozen Chinese volunteers from Harbin, the host city of the 2009 Winter Universiade.³¹⁴ Chinese volunteers also worked at the First Winter Children of Asia International Sports Games in Yuzhno-Sakhalinsk in February 2019.

7.5. Media Interaction between Moscow and Beijing

Russian and Chinese media continue to play an important role in strengthening the social foundations of Russia–China relations. Taking advantage of the stimulus provided by the Year of Russian Media in China and Year of Chinese Media in Russia held in 2016–2017, media outlets noticeably diversified their cooperation

³¹⁰ State Policy in Sports and International Cooperation // Ministry of Sport of the Russian Federation, January 25, 2017.
URL: https://www.minsport.gov.ru/sport/high-sport/40/30014/?special_version=Y (In Russian).

³¹¹ Tatyana Golikova Makes Working Visit to China // Government of Russia, October 30, 2018.
URL: <http://government.ru/news/34510/> (In Russian).

³¹² 2nd Russian-Chinese Youth Winter Games start in Ufa // Bash.news, December 14, 2018.
URL: <http://www.bashinform.ru/eng/1251254/>

³¹³ 2nd Russian-Chinese Youth Winter Games Start in Ufa // Bash.news, December 14, 2018.
URL: <http://www.bashinform.ru/eng/1251254/>

³¹⁴ Russia to Invite Foreign Volunteers to 2019 Winter Universiade // RIA Novosti, November 8, 2018.
URL: <https://sn.ria.ru/20181108/1532339249.html> (In Russian).

in 2018 and enriched it with new content. At the same time, they had to respond both to the progress made in media technologies and the increased competition in the international information environment, including unfair competition and open discrimination. A difficult situation emerged in connection with the need for members of the Russian and Chinese state-owned media working in the United States to register as foreign agents. Speaking on the sidelines of the 4th China–Russia Media Forum in Shanghai, Deputy Minister of Digital Development, Communications and Mass Media of the Russian Federation Alexey Volin stated that the media of the two countries had begun to encounter unfair competition on the global market, which, in particular, takes the form of impugning the veracity of their policies or directly restricting the dissemination of information.³¹⁵

New challenges in the global information environment prompt the media of the two countries to search for reliable and effective means of disseminating the information they deem important. From this point of view, it appears logical to emphasize joint actions in developing digital media. It would be worthwhile granting governmental support to a cooperation programme in this area. Deputy Prime Minister of the Russian Federation Maxim Akimov stated that the parties need to consider developing a Russia–China media cooperation programme for the digital environment. The goal of the programme should be to shape a common digital environment that is conducive to the development of the media in both states, the creation of joint projects and the strengthening of common positions on global markets.³¹⁶

On the whole, Russia and China are not active enough in new media and on social networks. For example, the Russian Embassy in China has an account on *Xinga weibo*, and it has fewer than 200,000 subscribers.³¹⁷ The Embassy only opened an account on *WeChat* in late 2017. The Embassy of China's account on VK, Russia's largest social network, has about 800 subscribers.³¹⁸ The diplomatic missions of many other states make more effective use of social media: for instance, the U.S. Embassy's account on *Xinga weibo* has over 2.38 million subscribers, and its *WeChat* account has 500,000 subscribers.³¹⁹

The protocol on the results of the 11th Meeting of the Sub-Commission on Media Cooperation of the Intergovernmental Russian–Chinese Commission for Humanitarian Cooperation noted that, given the 70th anniversary of establishing diplomatic relations, the media of the two countries should play an active role in enhancing cooperation in the joint coverage of important events and in shooting footage jointly.

³¹⁵ Russia to Prepare Draft Programme for Digital Cooperation with China in Spring 2019 // TASS, November 4, 2018.
URL: <https://tass.com/economy/1029256>

³¹⁶ Akimov: Russia and China Need Programme for Digital Cooperation in Mass Media // TASS, November 4, 2018.
URL: <https://tass.ru/ekonomika/5754753> (In Russian).

³¹⁷ Elosi zhu hua dashiguan [Russian Embassy in China] // Xinga weibo.
URL: https://www.weibo.com/p/1001062503806417/home?from=page_100106&mod=TAB&is_hot=1#place (In Chinese).

³¹⁸ Chinese Embassy in Russia // VKontakte. URL: <https://vk.com/club66846978> (In Russian).

³¹⁹ Meigo zhu hua dashiguan [U.S. Embassy in China] // Xinga weibo.
URL: https://www.weibo.com/usembassy?is_hot=1 (In Chinese).

At the meeting, the Russian side proposed expanding the line-up of Katyusha, a Russian-language TV channel with Chinese captions, by giving it broadcasting slots on China's regional TV channels. In general, Russian industry experts believe there is a need to exchange TV programmes without being guided solely by the principles of quantitative parity. The Russian side is willing to put the maximum amount of Chinese news, political, documentary and entertainment content on various broadcasting media – meaning satellite television, OTT TV and IPTV internet broadcasting, cable networks, etc. To coordinate this work, the parties may form a joint body that would assist Russian operators in establishing contact with producers of high-quality content in China. The initiative is supported by several major media companies. For example, SPB TV is ready to assist in founding a TV channel in Russia for broadcasting Chinese feature films and documentary pieces dubbed into Russian.

7.6. Tourism in Russia–China Cooperation

Tourism in Russia–China relations demonstrates significant growth potential. According to the Russian Federal State Statistics Service (*Rosstat*), the number of tourists travelling from China to Russia has been growing steadily since 2014. Experts estimate that in 2019, the tourist flow from China into Russia will grow by 15–20 per cent, which corresponds with the trend of recent years.³²⁰ The number of tourists is expected to grow to 2 million people in 2019. Even though there was a slump in the number of tourists travelling from Russia to China in 2015, the tourist flow has demonstrated stable growth since 2016 (*Table 5*).

Table 5. Number of trips between Russia and China (thousand).

Indicator	2014	2015	2016	2017	2018
Trips from China to Russia	874	1122	1289	1478	1690
Trips from Russia to China	1731	1284	1676	2003	2018

Source: Compiled by Alexander Larionov using data from: Outbound Tourist Trips // Russian Federal State Statistics Service. URL: http://www.gks.ru/free_doc/new_site/business/torg/tur/tab-tur1-2.htm

Nonetheless, the appeal of Russia as a tourist destination for Chinese people is fairly low. In 2017, it was the 12th-popular destination for Chinese tourists.³²¹ The most popular type of tourism in Russia–China relations is so-called “Red Tourism,” which is mostly geared towards middle-aged and elderly tourists, and most Chinese tourists are over 50.³²²

The 2018 FIFA World Cup Russia may contribute significantly to Russia–China tourism collaboration in 2019. The World Cup increased the awareness of Chinese

³²⁰ Russian Regions Expecting Increased Tourist Flow from China in 2019 // Rossiyskaya gazeta, January 21, 2019. URL: <https://rg.ru/2019/01/21/v-2019-godu-regiony-rossii-zhdut-rosta-turpotoka-iz-kitaia.html> (In Russian).

³²¹ Zhongguo luyou yanjiuyuan, xiecheng fabu 2017 chujing luyou dashuju baogao [China Tourism Academy Publishes Big Statistical Outbound Tourism Report for 2017] // Zhongguo luyou yanjiuyuan, March 1 2018. URL: <http://www.ctaweb.org/html/2018-2/2018-2-26-11-57-78366.html> (In Chinese).

³²² Ranking of Preferences of Chinese Tourists Coming to Russia // RIA Novosti, January 30, 2015. URL: <https://ria.ru/20150130/1045118375.html> (In Russian).

tourists of the options of vacationing in Russia. Record numbers of Chinese fans travelled to Russia during the event. A total of 223,200 people visited Moscow alone.³²³ Chinese citizens received about 60,000 fan IDs, second only to fans from Russia. The largest number of tourists travelling to Russia at the time of the World Cup arrived from China.³²⁴

The positive dynamics in the tourist flow from China into Russia is largely due to the option of visa-free travel to Russia for organized groups. Chinese experts list the complicated entrance procedure for individuals among the factors hindering the development of tourism. Under the 2000 Russia–China Agreement on Visa-Free Group Travel,³²⁵ groups between 5 and 50 people can stay in Russia for a period of up to 15 consecutive days. These rules have been in effect for approximately 20 years, and tourist numbers have been growing steadily. In 2018 alone, the number of Chinese tourists visiting Russia without a visa exceeded 1 million people.³²⁶ Nonetheless, increasing numbers of tourists prefer individual travel. Both travel agencies and Chinese tourists themselves admit that the current procedure does not meet the demands of the rapidly growing numbers of tourist exchanges. When obtaining a visa to Russia, individual Chinese travellers encounter such problems as the high cost of the visa itself (about \$50) and the small number of visa centres in China (visas can only be obtained in Beijing, Shanghai, Shenyang, Guangzhou and Hong Kong).³²⁷ Russian tourists, in turn, note similar difficulties in obtaining Chinese visas. The tourism administrations of Russia and China have held several rounds of talks on revising and re-signing agreements on visa-free travel for tourist groups. Principal changes should include accelerated exchange of tourist lists, reducing the minimum number of tourists in a group from five to three, increasing the allowed stay in the country from 15 to 21 days, and introducing electronic document exchange.³²⁸

Most tourists from China travel to Moscow and St. Petersburg, with more than half of all Chinese tourists in Russia visiting these destinations in the first three quarters of 2018.³²⁹ At the same time, Chinese tourists are interested in visiting other Russian regions, in particular, the Irkutsk Region. Border regions such as the Zabaykalsky Krai, the Amur Region, the Khabarovsk Region, the Jewish Autonomous Region, the Primorsky Krai, etc. appear promising for the

³²³ Russiatourism Takes Stock of the Tourist Results of the 2018 FIFA World Cup Russia // Rosturizm, August 3, 2018.
URL: <https://www.russiatourism.ru/news/15818/> (In Russian).

³²⁴ Largest Number of FIFA World Cup Fans in Russia Came from China, US, Mexico // TASS, August 5, 2018.
URL: <https://tass.com/sport/1016093>

³²⁵ Agreement between the Governments of the Russian Federation and the People's Republic of China on Visa-Free Group Tourist Travel // Passport and Visa Service of the Ministry of Interior of the Russian Federation, February 29, 2000.
URL: <http://pvsmdv.ru/doc/01%20Международные%20соглашения/014%20Соглашение%20%20между%20Правительством%20Российской%20Федерацией%20и%20Правительством%20Китайской%20Народной%20Республикой.pdf> (In Russian).

³²⁶ The Number of Chinese Tourists in Russia Increases // Russian Travel Digest, February 21, 2019.
URL: <https://russtd.com/the-number-of-chinese-tourists-in-russia-increases.html>

³²⁷ Russian Visas // Russian Embassy in China. URL: http://www.russia.org.cn/en/consular_issues/russian-visa-2/

³²⁸ Russia, China to Sign Visa-Free Travel Agreement Soon – Official // TASS, July 26, 2018.
URL: <https://tass.com/economy/1014865>

³²⁹ Analysis: in 2019 Foreign Tourist Flow to Russia Continues to Grow // Russia Travel Digest, June 4, 2019.
URL: <https://russtd.com/analysis-in-2019-foreign-tourist-flow-to-russia-continues-to-grow.html>

growth of tourist flows from China.³³⁰ Consequently, the potential for developing collaboration in tourism lies in creating a favourable environment for a more equal re-distribution of the tourist flow from China into Russia by developing the necessary infrastructure and improving service quality. It is necessary to assess the demand of Chinese tourists and implement projects that meet their needs.

The insufficient quality of services offered as part of package tours is largely due to the shadow nature of Chinese tourism in Russia, a factor that also negatively impacts demand for Russian tourism in China.³³¹ The services provided to Chinese groups are controlled by Chinese companies, and the tourist flow from China has limited impact on the Russian economy. Still, most Chinese tourists visit Russia as part of an organized tourist group.³³² Additionally, the lack of tourist industry professionals makes it difficult to increase tourist flows. As a result, tourists are dissatisfied with the food, accommodation and sightseeing activities offered. China also points out that Russia has enough local travel companies that have the requisite qualifications to provide services to Chinese tourist groups; yet they are heterogeneous, and it appears difficult to determine which companies have a good reputation and provide quality services. In order to make Russia more attractive for Chinese tourists, as well as to increase the positive effects of the growing tourist flow for the Russian economy, it is necessary to tighten control over services provided and ensure that they are of the proper quality. However, these steps should not result in a significant price hike.

Souvenirs are an important element of the tourism economy. Since the demand of tourists with different income levels is not sufficiently studied, and since there is a lack of relevant planning, the assortment of such souvenirs in Russia and China is relatively uniform, and the quality of the souvenirs is low, which cannot meet diverse demands of tourists effectively.

To develop the tourist flow from Russia to China, it is also important to improve the reliability of tour operators and install mechanisms for insuring tourists against tour operators going bankrupt, a circumstance that makes it difficult for tourists to return to Russia. Such a situation arose in 2018, for example, when several Russian tourists were stranded on Hainan.³³³

³³⁰ Analysis: in 2019 Foreign Tourist Flow to Russia Continues to Grow // Russia Travel Digest, June 4, 2019.
URL: <https://russtd.com/analysis-in-2019-foreign-tourist-flow-to-russia-continues-to-grow.html>

³³¹ Circulation of the Yuan in Russia. Why Revenues from Chinese Tourists Bypass Russia's Budget // Carnegie Moscow Center, March 13, 2018. URL: <https://carnegie.ru/commentary/75921>

³³² Chinese Tourist Flow into Russia Grew by 20%, But its Quality is Dispiriting // Tourprom, January 23, 2019.
URL: <https://www.tourprom.ru/news/41347/> (In Russian).

³³³ Hundreds of Russian Tourists Stranded in China // Vedomosti, December 8, 2018.
URL: <https://www.vedomosti.ru/business/news/2018/12/08/788787-rossiiskie-turisti> (In Russian).

Recommendations

Developing the Strategic Partnership and Collaboration on International Issues

1. In 2019, the Russian Federation and the People's Republic of China are celebrating the 70th anniversary of the establishment of diplomatic relations between the two countries against the backdrop of advancing the comprehensive partnership and strategic interaction between the sides. Given the task of further improving the bilateral partnership, the internal balance between economic and investment potential and security capabilities in Russia–China relations is of crucial importance. Alignment opportunities are related to the need to diversify Russian exports, jointly develop the digital economy and high technologies, and establish mutually advantageous cooperation in Eurasia.

2. Given the increasingly turbulent international situation, Russia and China should continue to look for joint responses to new challenges such as condemning the fragmentation of international relations and de-globalization, supporting the ideas of openness and freedom of trade, enhancing the central coordinating role of the UN in international affairs. The need to find a response to the dangerous trends of unbalancing the global governance mechanisms becomes increasingly relevant due to the fundamental technological changes stemming from the new technological revolution.

3. The new situation also requires adjustments to be made to global economic governance. International organizations, including the WTO, the World Bank and the IMF, need to be modernized, and Russia and China should be closely involved with their reform and with improving the rules of multilateral trade. The effectiveness of decision-making and dispute-settlement mechanisms needs to be improved, and greater account should be taken of the interests of developing countries within the WTO. It is also important to develop and supplement WTO agreements on information technologies, government procurement and the commercial aspects of intellectual property rights.

4. It would be wise against the backdrop of counteracting pressure from the United States to develop closer cooperation between Russia and China in international organizations working in international security and to expand the existing mechanisms for bilateral consultations on crises in various regions of the world.

Moscow and Beijing should continue to build interaction in ensuring energy, food and financial security. Trade wars increase China's interest in creating alternative payment mechanisms and reducing the role of the dollar in global finance, which creates additional opportunities for Russia–China cooperation. From the point of view of social collaboration, it is particularly important for Russia to work on creating an image of Russia in China as a modern and dynamic society that is favourably inclined towards China. Russia's key target audience is China's active and ambitious educated urban youth, as today they mostly look to the United States.

5. Concerning the security sphere, it is important to expand the practice of holding joint military exercises (including in remote theatres of operations), intensify contacts between the ministries of defence of the two countries, exchange intelligence, speed up the transition from selling Russian weapons to China to joint R&D and manufacturing. Russian and Chinese defence industry manufacturers may jointly enter the markets of third states. New areas of cooperation may open up due to the steps taken by the United States in 2019, such as suspending its participation in the INF Treaty and publishing the new Missile Defense Review, which officially names Russia and China as adversaries of the United States against whom the U.S. missile defence programmes are targeted.

6. Developing coordination within the Russia–India–China strategic triangle remains a priority. It would be wise to create an effective mechanism for holding meetings between the heads of the three states where differences concerning Eurasia's most pressing problems could be openly discussed. It is necessary for the issues raised at these meetings to be worked out in advance by experts and the relevant ministries, with the possibility of specific road maps being drafted. Establishing a standing trilateral mechanism of consultations between the militaries and holding regular trilateral military exercises could also contribute to solving the problem of confidence that exists between the militaries of China and India.

The triangle should focus on such matters as future of Syria and Afghanistan; interaction in the Arctic; jointly combating terrorism; managing migration flows; food and energy security; international information exchange and AI development; future of multilateral arms control; reforming the UN, the WTO and other global organizations; developing international public law; environmental challenges; and managing technological progress. It would also be wise for RIC to advance the linking of interrelated projects developed by Russia, China and India in Eurasia and to promote the growth of the SCO's potential.

7. The SCO's activities should continue to be based on the principles of multilateral diplomacy, respect for universal norms of international law, the uncompromising fight on terrorism and extremism in any form, without politicization and double standards. It would be wise to enhance cooperation on the business track and develop the linking of national development plans. Given the exacerbation of India–Pakistan tensions, the SCO should serve as a venue for exchanging opinions and holding consultations between the two states.

8. As part of linking Eurasian economic integration processes and the BRI, developing a transportation infrastructure should remain a key area of cooperation. It would be promising to set up platforms for meetings between businesses and governmental agencies that are participating in linking the EAEU and the Belt and Road Initiative. In order to increase awareness of the specifics of doing business in China and the EAEU, Union's agencies could spearhead the joint development with Chinese partners of analytical materials that reveal the specifics of national regulations.

9. The Arctic remains a promising space for Russia–China cooperation, in particular, exploring the Arctic routes, modernizing infrastructure and advancing

research. An important condition for such cooperation is maintaining Russia's leadership in developing and implementing Arctic projects.

Trade and Economic Ties

10. Despite the record bilateral trade turnover in 2018, taking economic ties to a qualitatively new level remains a task of particular importance.

Given the new challenges, it is necessary to take effective steps to eliminate the shortcomings in the institutional mechanisms of bilateral trade and economic cooperation. For that purpose, it is important to focus on long-term development, switching from cooperation that is focused on individual projects to systemic collaboration, formulating norms and ensuring long-term institutional guarantees. To achieve more in-depth cooperation, Russia and China should seize the opportunities afforded by the Agreement on Trade and Economic Cooperation between the EAEU and China, and linking the EAEU and the BRI in general.

11. It is important to increase the share of high added-value goods in Russian imports. When concluding agreements that will ensure stable demand for Russia-made goods, it would be wise to make more active use of the potential that foreign offices of Russian companies have. Developing a transportation infrastructure that makes it possible to decrease costs is also of special significance. Falling Russian exports of machinery and equipment could be overcome in the future by concluding long-term contracts, taking agreements reached at state level into account. Since the significant share of innovations is concentrated in the public sector, the transfer of some technologies may be achieved via commercialization, which will improve the competitive edge of Russian manufacturers.

12. While negotiating new projects in the gas sector, Russia should carefully study the state and capacity of China's energy market and curb its expectations pricewise.

13. Russia and China should continue work on significantly improving the business climate. The priority task is to improve the awareness of Russian and Chinese entrepreneurs of the specifics of doing business in the other country, as well as their legal regulations. This could be partially solved by preparing specialized reports that focus on the specifics of Russian and Chinese regulations.

In order to take better account of the specifics of doing business in the two countries and to build investor confidence in projects, it would be wise to use bilateral investment funds and establish joint organizations and manufacturing enterprises. It is particularly relevant for Russia to choose projects with maximum external positive effect.

14. Further advancing cooperation in agriculture appears promising. It is necessary to step up work under the Development Plan for Agriculture in the Russian Far East and Baikal Region and Northeast China. It is also necessary to boost collaboration in processing, warehousing and logistics, and joint investment opportunities. Processing industry appears to be equally important. Developing interaction in services is also relevant.

15. The development of Russia–China economic ties requires the rapid establishment of the relevant financial infrastructure. Increasing interaction in e-commerce will be a major stimulus for developing the payment infrastructure, which will have positive effect on payment services. Developing the payment infrastructure may take the form of introducing co-badged *UnionPay* cards. Such projects may make online shopping more convenient.

16. Currently, cooperation in high technologies is becoming increasingly important. Joint projects in new energy, energy-saving technologies, advanced materials, nanotechnologies, and rational use of natural resources appear promising. It is also important to advance cooperation in the digital economy, including e-commerce and e-payment systems.

Cooperation in Science and Technology

17. The further expansion of academic ties and increasing the efficiency of collaboration in new applied technologies and fundamental research are becoming increasingly important today. Priority areas of collaboration include space exploration, nuclear energy, natural disaster prevention and disaster relief, combating air and water pollution, geospatial technologies, new and renewable energy, astronomy, biotechnologies and biomedicine, oceanic and polar sciences, nanotechnologies, photonics, research infrastructures, mega science projects etc.

18. Given the growing global competition in artificial intelligence, Russia–China interaction in fundamental research and joint commercial initiatives in AI is of particular importance. The results of fundamental research might form the foundations for cooperation at other levels. Cooperation may be supported by closer ties between companies in the two countries that work in e-commerce and telecommunications. At the same time, Russia should pay additional attention to increasing the investment appeal of AI companies that China sees as less competitive.

19. The two countries should focus on preventing a new spiral of the global arms race that could be spurred on by AI development. Moscow and Beijing should maintain a dialogue on international legal issues in order to restrict the military use of AI. They should also study the possibilities of working out the ethical norms and sanctions for breaching them and develop relevant technical standards. Russia and China should jointly work on preventing new national security threats and advance the creation of a global governance system that aligns with the characteristics of the AI era.

Cooperation in Education, Culture and Media

20. Moscow and Beijing should continue working on overcoming the insufficient level of mutual understanding between the two countries, stereotypes and erroneous notions about each other. The parties should actively develop cultural interaction between the younger generations of both countries, paying special attention to the role of the Internet, new media and social networks. Russia and China could also step up the distribution of contemporary literature and young

adult fiction and upload more books on e-platforms to achieve more in-depth understanding of social life in Russia and China today.

21. As for interaction in education, Russia and China should continue to train professionals who are fluent in a foreign language, with an emphasis on training professionals in various areas and work on improving the image of the MSU-BIT University.

22. New challenges in the global information environment prompt the media of the two countries to search for reliable and effective means of disseminating the information they deem important. From this point of view, it appears logical to emphasize joint actions in developing digital media. Discussions are underway concerning the development of a Russia–China media cooperation programme for the digital environment. The goal of the programme should be to shape a common digital environment that is conducive to the development of the media in both states, the creation of joint projects and the strengthening of common positions on global markets

23. In order to make Russia more attractive for Chinese tourists, as well as to increase the positive effects of the growing tourist flow for the Russian economy, it is necessary to tighten control over services provided and ensure that they are of the proper quality. However, these steps should not result in a significant price hike. Additional attention should be given to a more equal re-distribution of the tourist flow from China throughout Russia. It is necessary to assess the demand of Chinese tourists and implement projects that meet their needs. To develop the tourist flow from Russia to China, it is important to improve the reliability of tour operators and install mechanisms for insuring tourists against tour operators going bankrupt, a circumstance that makes it difficult for tourists to return to Russia. Liberalization of visa requirements by both countries could make a great contribution to increasing mutual tourist flow.

At this stage in the development of tourist exchanges, it would be preferable to focus on manufacturing souvenirs that geared toward tourists with different income levels and various preferences. Such souvenirs should not distort the realities of political and social life in both states.

Annex. Monitoring of the Key Events in Russia–China Relations in Q2–Q4 2018 and Q1 2019

Global Governance and Regional Security Architecture

- 04.04.2018 Joint proposal by Russia, China and Iran on the “Skripal Case” at the OPCW Meeting in The Hague
- 24.04.2018 Meeting of the SCO Foreign Ministers' Council in Beijing
- 26.04.2018 Joint Statement by Russia and China at the Second Session of the Preparatory Committee for the 2020 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons in Geneva
- 17.05.2018 Meeting between the Secretary of the Security Council of the Russian Federation, the Deputy Minister of Foreign Affairs of the People's Republic of China and the Deputy Advisor to the Prime Minister of India in Moscow
- 17.05.2018 8th Meeting of the Heads of the Competent Authorities of the SCO Member States for Combatting Illicit Drug Trafficking in Tianjin
- 25.05.2018 Meeting of the JCPOA Joint Commission in Vienna
- 31.05.2018 Roundtable discussion on “BRICS: Trends and Development Prospects in Light of the New Challenges in the Modern World” in Moscow
- 04.06.2018 2nd Meeting of the BRICS Ministers of Foreign Affairs in Pretoria
- 09.06.2018–10.06.2018 Meeting of the Council of Heads of the SCO Member States in Qingdao
- 20.06.2018 BRICS Consultative Meeting on the Middle East and North Africa in Pretoria
- 27.06.2018 Revocation of the Joint Proposal by Russia and China at the OPCW in The Hague
- 07.07.2018 Ministerial Meeting on the Iran Nuclear Deal in Vienna
- 19.07.2018 Unified position of Russia and China on the Korean issue
- 25.07.2018–27.07.2018 10th BRICS Summit in Johannesburg
- 04.08.2018 8th East Asia Summit (EAS) Foreign Ministers' Meeting in Singapore
- 10.08.2018 Unified position of Russia and China on the United States at the UN
- 27.08.2018 Dialogue on North-East Asian Security in Moscow
- 29.08.2018 Position of the Representative of the Ministry of Foreign Affairs of the People's Republic of China on anti-Russian sanctions

- 11.09.2018 Implementation of the Russia–China Road Map on North Korea
- 25.09.2018 6th Meeting of the Heads of the Border Services of the SCO Member States in Bishkek
- 27.09.2018 Meeting of BRICS Ministers of Foreign Affairs in New York
- 11.10.2018–12.10.2018 17th Meeting of the SCO Heads of Government Council in Dushanbe
- 31.10.2018 6th RATS SCO International Conference in Tashkent
- 19.11.2018 Russian–Chinese Draft Decision “Preserving the Integrity of the Organisation for the Prohibition of Chemical Weapons”
- 26.11.2018 China’s position on the incident on the Kerch Strait
- 30.11.2018–01.12.2018 G20 Summit in Buenos Aires
- 05.12.2018 1st Forum of Heads of Regions of the SCO Member States
- 18.12.2018 3rd Round of Russia–China Consultations on Anti-Terror Issues in Beijing
- 20.12.2018 Russia–China Consultations on the Dialogue on North-East Asian Security in Beijing
- 27.02.2019 Meeting of the Foreign Ministers of Russia, India and China in Wuzhen
- 04.03.2019 China declares support for the Russian initiative to become a mediator between Pakistan and India
- 21.03.2019 Press conference by the SCO Secretary General in Beijing

Political Dialogue

- 05.04.2018 Meeting between President of the Russian Federation Vladimir Putin and Minister of Foreign Affairs of the People’s Republic of China Wang Yi in Moscow
- 05.04.2018 Meeting between Minister of Foreign Affairs of the Russian Federation Sergey Lavrov and Minister of Foreign Affairs of the People’s Republic of China Wang Yi in Moscow
- 13.04.2018 Meeting between Ambassador Extraordinary and Plenipotentiary of the Russian Federation to the People’s Republic of China Andrey Denisov and Vice Minister of Foreign Affairs of the People’s Republic of China Le Yucheng
- 23.04.2018 Meeting between the head of the Ministry of Foreign Affairs of the Russian Federation and the head of the Ministry of Foreign Affairs of the People’s Republic of China in Beijing
- 27.04.2018 Meeting between Deputy Minister of Foreign Affairs of the Russian Federation Mikhail Bogdanov and Special Envoy of the Chinese Government on the Syrian Issue Xie Xiaoyan

- 03.05.2018 Meeting between Acting Governor of Ivanovo Region Stanislav Voskresensky and Ambassador Extraordinary and Plenipotentiary of the People's Republic of China Li Hui in Ivanovo
- 07.05.2018 Congratulation of the Ministry of Foreign Affairs of the People's Republic of China to Vladimir Putin on his upcoming inauguration as President of the Russian Federation
- 08.05.2018 Congratulatory telegram from the Premier of the State Council of the People's Republic of China Li Keqiang to Prime Minister of the Russian Federation Dmitry Medvedev
- 08.05.2018 Meeting between the Deputy Minister of Foreign Affairs of the Russian Federation Mikhail Bogdanov and the Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Russia Li Hui in Moscow
- 26.05.2018 Meeting between President of the Russian Federation Vladimir Putin and Vice President of the People's Republic of China in Russia Wang Qishan in St. Petersburg
- 28.05.2018 Russia–China–Mongolia consultations in Beijing
- 02.06.2018–06.06.2018 Visit of a Communist Party of China delegation to Moscow
- 04.06.2018 Meeting between the head of the Ministry of Foreign Affairs of the Russian Federation and the head of the Ministry of Foreign Affairs of the People's Republic of China in Pretoria
- 08.06.2018 Meeting between Presidential Plenipotentiary Envoy to the Far Eastern Federal District Yury Trutnev and Vice Premier of the State Council of the People's Republic of China Hu Chunhua in Beijing
- 08.06.2018 President of the People's Republic of China Xi Jinping awarded the Chinese Order of Friendship to President of the Russian Federation Vladimir Putin in Beijing
- 08.06.2018 Meeting between President of the Russian Federation Vladimir Putin and President of the People's Republic of China Xi Jinping in Beijing
- 08.06.2018 Meeting between President of the Russian Federation Vladimir Putin and Premier of the State Council of the People's Republic of China Li Keqiang in Beijing
- 14.06.2018 Visit of Vice Premier of the State Council of the People's Republic of China Sun Chunlan to Moscow
- 14.06.2018 Meeting between President of the Russian Federation Vladimir Putin and Vice Premier of the State Council of the People's Republic of China Sun Chunlan in Moscow
- 15.06.2018 Telephone conversation between President of the Russian Federation Vladimir Putin and President of the People's Republic of China Xi Jinping
- 04.07.2018 Meeting between Chairman of the Federation Council of the Federal Assembly of the Russian Federation Valentina Matviyenko and Vice Chairman of the Standing Committee of the National People's Congress of the People's Republic of China Wang Chen in Beijing

- 04.07.2018 Meeting between Chairman of the Federation Council of the Federal Assembly of the Russian Federation Valentina Matviyenko and President of the People's Republic of China Xi Jinping in Beijing
- 04.07.2018 4th Meeting of the Interparliamentary Commission on Cooperation of the Federal Assembly of the Russian Federation and the National People's Congress of the People's Republic of China in Beijing
- 05.07.2018 Meeting between Chairman of the Federation Council of the Federal Assembly of the Russian Federation Valentina Matviyenko and Chairman of the Chinese People's Political Consultative Conference Wang Yang in Beijing
- 26.07.2018 Meeting between President of the Russian Federation Vladimir Putin and President of the People's Republic of China Xi Jinping on the sidelines of the BRICS Summit in Johannesburg
- 02.08.2018 Meeting between the head of the Ministry of Foreign Affairs of the Russian Federation and the head of the Ministry of Foreign Affairs of the People's Republic of China in Singapore
- 03.08.2018 Meeting between a delegation of representatives from the Embassy of the People's Republic of China in Russia with the leadership of the Kabardino-Balkar Republic in Nalchik
- 16.08.2018 Meeting between President of the Russian Federation Vladimir Putin and Member of the Central Politburo of the Communist Party of China Yang Xiaodu in Sochi
- 16.08.2018 Visit of a Chinese delegation to the Republic of Karelia
- 21.08.2018 2nd Intergovernmental Russia–China Commission on Cooperation and Development of the Far East and Baikal Region of Russia and the Northeast China
- 21.08.2018 Meeting of the Russia–China Sub-Commission on Agriculture of the Commission on the Preparation of Regular Meetings of Heads of Government of China and Russia in Dalian
- 11.09.2018 Round table meeting between heads of Russian and Chinese regions in Vladivostok
- 11.09.2018 Russia–China negotiations on the sidelines of the Eastern Economic Forum in Vladivostok
- 16.09.2018–
18.09.2018 Visit of Vice Premier of the State Council of the People's Republic of China Han Zheng to Moscow
- 18.09.2018 Meeting between President of the Russian Federation Vladimir Putin and Vice Premier of the State Council of the People's Republic of China Han Zheng in Moscow
- 25.09.2018 Meeting between the head of the Ministry of Foreign Affairs of the Russian Federation and the head of the Ministry of Foreign Affairs of the People's Republic of China in New York
- 13.10.2018 Meeting between the Prime Minister of the Russian Federation and the Premier of the People's Republic of China in Dushanbe

- 16.10.2018–
17.10.2018 Visit of the Chief of Staff of the Presidential Executive Office of the Russian Federation Anton Vaino to China
- 17.10.2018 Meeting between the Chief of Staff of the Presidential Executive Office of the Russian Federation and the President of the People's Republic of China in Beijing
- 17.10.2018–
19.10.2018 Visit of Member of the Central Politburo of the Communist Party of China Yang Jiechi to Russia
- 18.10.2018–
19.10.2018 Visit of Minister of Defence of the Russian Federation Sergey Shoigu to China
- 19.10.2018 Meeting between President of the Russian Federation Vladimir Putin and Member of the Central Politburo of the Communist Party of China Yang Jiechi in Sochi
- 19.10.2018 Meeting between Minister of Defence of the Russian Federation Sergey Shoigu and President of the People's Republic of China Xi Jinping in Beijing
- 22.10.2018 Consultations between the Ministry of Foreign Affairs of the Russian Federation and the Ministry of Foreign Affairs of the People's Republic of China on the Problems of Sub-Saharan countries in Moscow
- 05.11.2018 Meeting between Prime Minister of the Russian Federation Dmitry Medvedev and President of the People's Republic of China Xi Jinping in Shanghai
- 06.11.2018 22nd Meeting of the Russia–China Commission on Preparing Regular Meetings between the Heads of Government of Russia and China in Shanghai
- 07.11.2018 23rd Regular Meeting between the Heads of Government of Russia and China in Beijing
- 15.11.2018 Meeting between President of the Russian Federation Vladimir Putin and Premier of the State Council of the People's Republic of China Li Keqiang in Singapore
- 29.11.2018 Meeting between Rosneft CEO Igor Sechin and Vice Premier of the State Council of the People's Republic of China Han Zheng in Beijing
- 01.12.2018 Meeting between President of the Russian Federation Vladimir Putin and President of the People's Republic of China Xi Jinping in Buenos Aires
- 13.12.2018 Forum on Cooperation in Trade and Culture between the Russian Federation and the People's Republic of China in Beijing
- 17.01.2019–
21.01.2019 Visit of members of the Civic Chamber of the Russian Federation to China
- 17.01.2019 Meeting between President of the Civic Chamber of the Russian Federation Valery Fadeyev and Chairman of the Chinese People's Political Consultative Conference Wang Yang in Beijing
- 01.02.2019 Opening of the General Consulate of the Russian Federation in Harbin announced
- 07.02.2019 Visit of Prime Minister of the Russian Federation Dmitry Medvedev to the Embassy of the People's Republic of China in Moscow

- 17.02.2019 Meeting between Minister of Foreign Affairs of the Russian Federation Sergey Lavrov and Director of the Central Foreign Affairs Commission Office of the People's Republic of China Yang Jiechi in Munich
- 25.02.2019 Negotiations between State Duma of the Russian Federation Deputy Vasily Piskaryov and representatives of the National People's Congress of the People's Republic of China on countering corruption
- 25.02.2019–
26.02.2019 Visit of Minister of Foreign Affairs of the Russian Federation Sergey Lavrov to Hong Kong
- 26.02.2019–
27.02.2019 Meeting between the Minister of Foreign Affairs of the Russian Federation and the Minister of Foreign Affairs of the People's Republic of China in Wuzhen

Military and Technical Cooperation

- 04.04.2018–
05.04.2018 VII Moscow Conference on International Security
- 05.04.2018 32nd meeting of the Council of the Regional Anti-Terrorist Structure of Shanghai Cooperation Organization in Tashkent
- 23.04.2018 Meeting between the Secretary of the Security Council of the Russian Federation and a member of the Central Committee of the Communist Party of China
- 23.04.2018–
24.04.2018 SCO Defense Ministers' Meeting in Beijing
- 24.04.2018 Meeting between Minister of Defence of the Russian Federation Sergey Shoygu and Vice-Chairman of the Central Military Commission of the People's Republic of China Xu Qiliang in Beijing
- 24.04.2018–
26.04.2018 9th International Meeting of High-Level Representatives for Security Issues in Sochi
- 10.05.2018 Delivery of the last batch equipment from the first regimental set of S-400 long-range anti-aircraft missile systems to China
- 21.05.2018–
22.05.2018 13th meeting of the SCO National Security Council Secretaries in Beijing
- 22.05.2018 Meeting between Secretary of the Security Council of the Russian Federation Nikolai Patrushev and Minister of Public Security of the People's Republic of China Zhao Kezhi in Beijing
- 30.05.2018 20th round of strategic consultations between the Russian and Chinese armed forces in Beijing
- 31.05.2018 Position of the Ministry of National Defense of the People's Republic of China on cooperation in the SCO
- 08.06.2018 Meeting between General Director of Roscosmos Dmitry Rogozin and Vice President of the People's Republic of China Wang Qishan in Beijing
- 12.06.2018 Agreement on specifications of a joint wide-body long-haul aircraft
- 21.06.2018 Second UN Chiefs of Police Summit in New York

- 28.06.2018 8th meeting of the BRICS High Representatives Responsible for National Security in Durban
- 28.06.2018– 1st United Nations High-Level Conference of Heads of Counter-Terrorism Agencies
29.06.2018 of Member States in New York
- 29.06.2018 Meeting between representatives of the Zabaykalsky Office of the Russian Federal Drug Control Service and the Hulunbuir Department of Public Security
- 03.07.2018 Meeting between the Commander-in-Chief of the Russian Ground Forces and the Minister of National Defence of the People's Republic of China
- 05.07.2018 Meeting of the Russia–China Working Sub-Group for Cooperation in the Earth's Remote Sensing in Moscow
- 11.07.2018 Meeting of the Russia–China Space Working Group in Moscow
- 28.07.2018– 2018 International Army Games
11.08.2018
- 28.07.2018 Meeting between Commander-in-Chief of the Russian Navy Vladimir Korolyov and Commander of the People's Liberation Army Navy Shen Jinlong in St. Petersburg
- 29.07.2018– Aviadarts contest of the International Army Games 2018 in Ryazan
11.08.2018
- 30.07.2018 Visit of a delegation from the People's Liberation Army Navy to the Northern Fleet base in Severomorsk
- 03.08.2018 The Russian and Chinese national teams top the “Highway Patrol” competition at the International Army Games in Moscow
- 15.08.2018 14th round of Russia–China consultations on strategic security issues in Moscow
- 16.08.2018 Participation of an air display team from the People's Liberation Army Air Force in the ARMY 2018 International Military and Technical Forum in Moscow
- 20.08.2018 Deployment of Chinese fighter jets to the Chelyabinsk Region
- 01.08.2018– Amphibious Assault Landing 2018 international competition in Quanzhou
11.08.2018
- 22.08.2018– SCO Peace Mission 2018 in the Chelyabinsk Region
29.08.2018
- 23.08.2018 Norinco exhibition at the ARMY 2018 International Military and Technical Forum in Moscow
- 31.08.2018 Meeting between Minister of Defence of the Russian Federation Sergey Shoygu and Chief of the Joint Staff Department of the Central Military Commission Li Zuocheng in Moscow
- 11.09.2018– Vostok 2018 joint military exercises in the Russian Far East
17.09.2018
- 28.09.2018 19th Meeting of the Sub-Commission for Cooperation in Space in Beijing
- 04.10.2018 Development of equipment for the Chinese large modular space station in Samara
- 19.10.2018 23rd session of the Russia–China Intergovernmental Joint Commission on Military-Technical Cooperation

- 24.10.2018– 8th Beijing Xiangshan Forum in Beijing
26.10.2018
- 25.10.2018 Joint naval exercises between the Russian Federation and the People's Republic of China in the Yellow Sea
- 07.11.2018 Airshow China 2018 International Aviation and Aerospace Exhibition in Zhuhai
- 15.11.2018 5th Meeting of the Russia–China Mechanism on Security Cooperation in Moscow
- 20.12.2018 Meeting between Deputy Minister of Defence of the Russian Federation Andrey Kartapolov and Minister of National Defence of the People's Republic of China Wei Fenghe in Beijing
- 05.03.2019 Training of People's Liberation Army servicemen in Russia in the use of the S-400 anti-aircraft system

Trade and Economic Interaction

- 02.04.2018 Start of operations at the Russian–Chinese Centre of Intellectual Property “Innovative Silk Road” in Beijing
- 08.04.2018– Boao Forum for Asia
11.04.2018
- 11.04.2018– IPQuorum 2018 in Kaliningrad
12.04.2018
- 13.04.2018– 2018 Tianjin Investment and Trade Fair
17.04.2018
- 16.04.2018 Launch of the Moscow Export Centre pilot project on the promotion of Russian products on global electronic platforms
- 17.04.2018 BRICS Business Council Midterm Meeting in Shanghai
- 26.04.2018 Meeting of the Organizing Committee of the 5th China–Russia Expo in Moscow
- 27.04.2018 Marketplace launch with goods from China
- 03.05.2018 Opening of an intertrade market for residents of border regions in Suifenhe
- 16.05.2018 Agreement on cooperation between the Saratov Region and the Hubei province
- 18.05.2018– AmurExpoForum 2018 in Blagoveshchensk
20.05.2018
- 21.05.2018 Creation of an internet portal with information about companies from the BRICS member countries
- 28.05.2018 Start of joint construction of the industrial park
- 29.05.2018– 3rd China Commodity Fair 2017 in Moscow
31.05.2018

07.06.2018	Launch of joint Russia–China production of power equipment for trauma surgery and orthopaedics in Penza
15.06.2018– 19.06.2018	29 th Harbin International Economic and Trade Fair
15.06.2018	Publication of the Blue Book on Russia–China Economic Cooperation in Harbin
17.06.2018	2018 China Harbin Cross-Border E-Commerce Cooperation Meeting
19.06.2018	Meeting between Governor of the Yaroslavl Region Dmitry Mironov and the Mayor of Shanghai Ying Yong in Shanghai
20.06.2018	Signing of a framework agreement on the creation of an international trade port
25.06.2018	Meeting of agricultural experts and entrepreneurs in Baicheng
25.06.2018– 27.06.2018	SYLVA WOOD 2018 exhibition in Shanghai
27.06.2018– 29.06.2018	Mobile World Congress Shanghai
03.07.2018	WTO Council for Trade in Goods in Geneva
09.07.2018– 12.07.2018	5 th Russia–China Expo in Yekaterinburg
10.07.2018	Forum of Trade and Economic Cooperation of the Sverdlovsk Region and the City of Chongqing in Yekaterinburg
23.07.2018	The State Duma of the Russian Federation declares its support for the agreement with the People's Republic of China on the development of gold deposits
03.08.2018	Approval by the President of the Russian Federation of the ratification of the agreement with the People's Republic of China on the development of the Klyuchevskoye gold deposit
08.08.2018– 11.08.2018	6 th International Port Trade Expo in Suifenhe
20.08.2018– 21.08.2018	Working visit of Deputy Prime Minister of the Russian Federation and Presidential Plenipotentiary Envoy to the Far Eastern Federal District Yury Trutnev to Dalian
22.08.2018	1 st Forum on Issues of Trade and Economic Cooperation between Moscow and Shanghai in Moscow
24.08.2018	1 st Moscow–Chengdu Forum on Business Cooperation in Moscow
28.08.2018	Technoprom International Forum in Novosibirsk
02.09.2018– 15.09.2018	Russian–Chinese Youth Business Incubator in Qingdao
05.09.2018	Reaction of the People's Republic of China to the protests of Russian citizens against the sale of timber to China

- 07.09.2018 Chinese express delivery company becomes a resident at an industrial and logistics park in the Russian Far East
- 11.09.2018– 4th Eastern Economic Forum in Vladivostok
13.09.2018
- 12.09.2018 Creation of a joint venture between Russian companies and *Alibaba*
- 12.09.2018 Programme for the Development of Economic and Investment Cooperation in the Russian Far East
- 13.09.2018 Announcement of the agreement on the Eurasian Economic Partnership
- 18.09.2018 15th Meeting of the Intergovernmental Russian–Chinese Commission on Energy Cooperation
- 21.09.2018 China becomes a partner in the 2019 MAKS Air Show
- 21.09.2018 Russia–China Industrial Innovations Competition in Kunming
- 21.09.2018 3rd Meeting of the Russia–China Industry Cooperation Sub-Commission in Kunming
- 25.09.2018 Business Mission of the Perm Region to China
- 28.09.2018 Construction of the China–SCO demonstration zone in Qingdao
- 14.10.2018 Completion of construction on the Chinese part of the Amur Bridge Project
- 15.10.2018– Agreement about the Skolkovo Innovation Center and Huawei
17.10.2018
- 05.11.2018– 1st China International Import Expo in Shanghai
10.11.2018
- 07.11.2018 Presentation of a scale model of the CR929 wide-body long-range aircraft
- 15.11.2018 Approval for the Programme for the Development of Russia–China Cooperation in the Russian Far East 2018–2024
- 15.11.2018 Rosselkhoz nadzor’s report on the export of livestock products from China
- 29.11.2018 Russia–China Energy Business Forum in Beijing
- 30.11.2018– China Business Forum in Moscow
01.12.2018
- 29.11.2018 Plans to create a joint venture between PJSC Rosneft Oil Company and Beijing Gas
- 29.11.2018 Memorandum on Scientific Cooperation between PJSC Rosneft Oil Company and CNPC
- 30.11.2018 Full commissioning of the Yamal LNG project
- 04.12.2018 4th Russia–China Business Forum in Chelyabinsk
- 05.12.2018 Creation of a commission to regulate conflict situations between Russia–China businesses

21.12.2018	Start of competition between innovative Russia–China start-ups
10.01.2019	Bilateral trade between Russia and China exceeds \$107 billion
16.01.2019	Federal Agency for Forestry's initiative to ban Chinese businesses from purchasing Russian timber
25.01.2019	Chinese engineers start construction of a new section of the Moscow Metro
06.02.2019	Allocation of Chinese cloud infrastructure in Moscow
11.02.2019	Russian exports to China exceed imports for the first time in 12 years
12.02.2019	Russia starts supplies of poultry meat to China
15.02.2019	Annual meeting of the Russian–Chinese Business Council
01.03.2019	Development of the BRICS single payment system
06.03.2019	Announcement of gas supplies date via the Power of Siberia gas pipeline
13.03.2019	Electronic signature agreement between Russian and Chinese enterprises
18.03.2019	Announcement of the 2 nd China International Import Expo in Shanghai
28.03.2019	Construction of a Chinese factory for bottling Baikal water halted

Financial and Investment Cooperation

19.04.2018	Chinese Investor Day in Khabarovsk
28.04.2018	Memorandum of Cooperation between the Moscow Exchange and the Shanghai Gold Exchange
22.05.2018	Negotiations between a delegation from the Omsk Region and representatives of Chinese cities at the SIAL China 2018 International Food Innovation Exhibition in Shanghai
24.05.2018– 26.05.2018	St. Petersburg International Economic Forum 2018
28.05.2018	14 th Meeting of the Board of Directors of the BRICS New Development Bank (NDB) in Shanghai
28.05.2018	3 rd Annual Meeting of the Board of Governors of the BRICS NDB in Shanghai
30.05.2018	Chinese delegation visits the Krasnodar Territory
06.06.2018	Meeting of the SCO Interbank Association in Beijing
08.06.2018	Russia and China's positions on settlements in national currencies
13.06.2018– 16.06.2018	Delegation from the Primorsky Krai visits China

- 16.06.2018– Russia–China Forum for Interregional Cooperation and Exchange in Harbin
17.06.2018
- 21.06.2018 Agreement on the creation of a Russia–China development platform for joint investment
- 25.06.2018 Presentation of a business plan for a joint venture to Chinese partners in Kazan
- 11.07.2018 Meeting between Acting Governor of the Primorsky Krai Andrey Tarasenko and a delegation from the Bishi corporation in Vladivostok
- 23.07.2018 Opening of the Russia–China Business Incubator in Ulyanovsk
- 23.07.2018 Opening of the Russia–China Business Incubator in Bryansk
- 24.07.2018 Opening of the Russia–China Youth Business Incubator in the Altai Krai
- 15.08.2018 The cities of Suzdal and Gorokhovets win competitive grants from the BRICS New Development Bank
- 15.09.2018 Round table on issues of economic cooperation between Russia and China in Harbin
- 18.09.2018 5th Session of the Russia–China Commission for Investment Cooperation in Moscow
- 21.09.2018 Chinese investments in the Klyuchevskoye gold deposit
- 27.09.2018 Russia–China Financial Centre project in Guangzhou
- 16.10.2018 3rd Russia–China Investing in Innovation Forum in Moscow
- 16.10.2018 Skolkovo Ventures becomes co-investor in the Chinese state funds
- 18.10.2018 Preparation of an intergovernmental agreement on settlements in national currencies
- 21.11.2018 Individual cases of Chinese commercial banks' refusing to provide services to clients from the Russian Federation
- 27.12.2018 Postponement of signing the agreement on settlements in national currencies
- 09.01.2019 Russia–China Financial Union doubles membership
- 10.01.2019 Bank of Russia increases share of Chinese yuan in its foreign exchange reserves
- 21.03.2019 Law on Foreign Investments in the People's Republic of China

Cooperation in Transport and Infrastructure

- 08.04.2018 Resumption of transport links across the Russia–China border river
- 10.04.2018 Meeting between the President of the Primorsky Chamber of Commerce and Industry Union and a delegation of the Association for the Development of Russia–China Tourist Cooperation in Vladivostok
- 17.04.2018 PJSC Aeroflot wins Chinese airline competition
- 19.04.2018 Signing of a preliminary agreement on rail links between the Primorsky Krai and the People's Republic of China

20.04.2018	Launch of the 1 st container train from Nanchang to Moscow
04.05.2018	Agreement of intent on implementation of the Vladivostok–Mudanjiang railway construction project
05.05.2018	Commencement of operations at the new port in Fuyuan
05.05.2018	Approval of the Zabaykalsky Krai development plan on the basis of cross-border cooperation with China and Mongolia
08.05.2018	Mayor of Vladivostok Vitaly Verkeenko meets with a delegation from the People's Republic of China
08.05.2018	1 st Meeting of the Russia–China Group on Energy Efficiency in Moscow
11.05.2018	Launch of regular commercial flights between Moscow and Macau
11.05.2018	Launch of a direct commercial flight from St. Petersburg to Xi'an
14.05.2018– 16.05.2018	Atomexpo Forum in Sochi
18.05.2018	1 st freight train from Zibo to Moscow
20.05.2018	China supplies drilling equipment to Russia
22.05.2018– 25.05.2018	Experts from the People's Republic of China visit the Kalinin Nuclear Power Plant in Tver
29.05.2018	Completion of test rally of heavy trucks from China to Russia
29.05.2018	Opening of the port in Fuyuan
30.05.2018– 31.05.2018	International Scientific-Practical Conference “High-Speed Railways as Economic Growth Driver” in Moscow
06.06.2018	Rosneft CEO Igor Sechin and Chairman of the Management Board of Inter RAO Boris Kovalchuk meet with Minister of Commerce of the People's Republic of China Zhong Shan in Moscow
06.06.2018	Start of deliveries of copper and iron ore concentrates from the Zabaykalsky Krai to China
08.06.2018	Meeting between President of the Russian Federation Vladimir Putin and President of the People's Republic of China Xi Jinping in Qingdao
08.06.2018	Memorandum on the Organization of High-Speed and Ultra-High-Speed Cross-Border Rail Freight Transport
08.06.2018	Meeting between Chairman of the Management Committee of Gazprom Alexey Miller and Chairman of the Board of Directors of CNPC Wang Yilin in Beijing
09.06.2018	Meeting between President of the Russian Federation Vladimir Putin, President of the People's Republic of China Xi Jinping and President of Mongolia Khaltmaagiin Battulga in Qingdao

- 26.05.2018– China International Big Data Industry Expo 2018 in Guiyang
29.05.2018
- 29.06.2018 Launch of a direct commercial flight between Irkutsk and Shenyang
- 01.07.2018– Launch of commercial flights from Vladivostok to Mudanjiang
25.10.2018
- 04.07.2018 Resumption of charter flights between Moscow, Chelyabinsk and Harbin
- 07.07.2018 Intermediate results of the construction of a part of the eastern route of the Russia–China gas pipeline
- 08.07.2018 Launch of direct commercial flights between Moscow and Hohhot
- 10.07.2018 Agreement on Cooperation between the Kaluga Region and the Heilongjiang province
- 11.07.2018 Launch of direct commercial flights between Vladivostok and Qiqihar
- 19.07.2018 Vladimir Rusanov and Eduard Toll LNG tankers from the Yamal LNG plant arriving at the Zhudong in Jiangsu Province
- 29.07.2018 Launch of a special freight train from Chengdu to Moscow
- 31.07.2018 Launch of commercial flights between Moscow and Hangzhou
- 03.08.2018 Call for proposals on the project to create a joint wide-body aircraft
- 03.08.2018 Agreement on the organization of a consortium for carrying out transport infrastructure development projects
- 07.08.2018 Opening of an international postal exchange in Manzhouli on the border with Russia
- 09.08.2018 Launch of direct commercial flights between Moscow and Nanning
- 10.08.2018 1st shipment from the second production line of the Russia–China Yamal LNG enterprise
- 20.08.2018 Position of the Rosatom Automated Control System CEO Andrey Butko on the bilateral cooperation
- 20.08.2018 Russian Railways Logistics sends first container train on the Changsha–Tilburg route
- 22.08.2018 Gazprom orders engineering design of a gas pipeline from the Russian Far East to China
- 25.08.2018 Launch of fuel loading operations at the Tianwan Nuclear Power Plant by Rosatom
- 10.09.2018 Launch of the Russian Post alternative postal delivery channel from China
- 10.09.2018 Instruction of the President of the Russian Federation on checkpoints on bridges connecting Russia and China
- 12.09.2018 Initiative on the creation of the North-East Asian Energy Ring
- 14.09.2018 Statistics on the Power of Siberia 2 gas pipeline
- 07.12.2018 Launch of direct commercial flights between Moscow and Hefei

- 21.02.2019 Launch of direct commercial flights between Zhukovskiy and Sanya
- 18.03.2019 Announcement of the linking of the Blagoveshchensk–Heihe road bridge across the Amur River
- 21.03.2019 Linking of the Nizhneleninskoye–Tongjiang Heihe rail bridge across the Amur River

Aligning the EAEU and the BRI

- 03.04.2018 “Issues in the Alignment of the Eurasian Economic Union and the Chinese Belt and Road Initiative” Conference in Moscow
- 18.04.2018 Advisor to the President of the Russian Federation meets with Chinese entrepreneurs in Beijing
- 17.05.2018 Agreement on Trade and Economic Cooperation between the Eurasian Economic Union and the People’s Republic of China
- 15.06.2018– 5th International Forum of the Leading Expert Centres on Russia–China Economic
19.06.2018 Cooperation and the Alignment of the EAEU and the BRI
- 17.07.2018– Silk Road Tourism Week in Buryatia
22.07.2018
- 20.07.2018– Silk Way Rally in Russia
27.07.2018
- 22.08.2018 Opening of the Consulate General of the People’s Republic of China in Kazan
- 27.09.2018 Announcement of priority projects for the China–Mongolia–Russia Economic Corridor
- 16.10.2018 Summit of Trade and Industry Leaders of the Belt and Road Countries in Hunan
- 18.03.2019 Plans to create a BRI Investment Fund
- 21.03.2019 Statistics on China’s international cooperation as a part of the BRI
- 29.03.2019 Discussion of the prospects of the Moscow–Kazan high-speed rail project

Cultural, Educational and Media Cooperation

- 03.04.2018– 3rd All-Russian Congress “Industrial Ecology of the Regions” in Yekaterinburg
04.04.2018
- 03.04.2018– “Treasures of the Romanov Dynasty” exhibition in Beijing
10.06.2018
- 10.04.2018– 4th Design & Reklama NEXT exhibition in Moscow
13.04.2018
- 05.04.2018 Russian cartoon premieres in China

- 15.04.2018– 42nd Annual World Finals of the International Collegiate Programming Contest
- 19.04.2018 (ACM-ICPC) in Beijing
- 15.04.2018– 8th Beijing International Film Festival
- 22.04.2018
- 16.04.2018 Opening of an exhibition about China in Moscow
- 17.04.2018 Premiere of a Russian opera in Beijing
- 17.04.2018 Patriarch Kirill of Moscow wishes the people of China a Happy Easter
- 17.04.2018 Final of the 2nd Russia–China Poetry Recital Competition in Yekaterinburg
- 17.04.2018– Exhibition of collections from the galleries of BRICS countries in Beijing
- 23.04.2018
- 21.04.2018 Opening of the Russia–China Interregional Cooperation Park in Qingdao
- 25.04.2018– 5th Russia–China Valdai Discussion Club Conference in Shanghai
- 26.04.2018
- 28.04.2018 Recordings of Russian ballet performances shown in Shanghai
- 28.04.2018 Conclusion of a deal on the sale of rights for Russian cartoons to China
- 01.05.2018 Introduction of a visa-free regime for Russian citizens visiting Hainan
- 06.05.2018– Performances by the Alexandrinsky Theatre in Shanghai
- 14.05.2018
- 07.05.2018 Ceremony of laying wreaths at the Memorial to Soviet and Mongolian Soldiers
- 08.05.2018 Ceremonial gathering on the eve of the Victory Day in Beijing
- 08.05.2018 Opening of the Chinese Cultural and Information Centre in Crimea
- 09.05.2018 Immortal Regiment march in Beijing
- 09.05.2018 Crane of Hope flash mob in Beijing
- 10.05.2018– International Festival of Wooden Sculpture in Irkutsk
- 20.05.2018
- 11.05.2018 VII International Olympiad in the Russian language in Kaliningrad
- 14.05.2018 Debut of a Bolshoi Theatre opera in Shanghai
- 14.05.2018 Presentation of the Chinese version of the book *SCO: Formation, Development and Prospects* in Beijing
- 15.05.2018– St. Petersburg International Legal Forum
- 19.05.2018
- 16.05.2018– 1st SCO Women's Forum in Beijing
- 17.05.2018

- 16.05.2018 Presentation of a translation of the *Tao Te Ching* in Moscow
- 17.05.2018 Premiere of a Russian opera in Shanghai
- 17.05.2018–
19.05.2018 4th Pacific Tourist Forum in Vladivostok
- 21.05.2018–
25.05.2018 Summing up the results of the 5th International Youth Energy Forum in St. Petersburg
- 25.05.2018 Opening of a Chinese art installation in St. Petersburg
- 27.05.2018 International Festival of Circus Art “On the Fontanka” Awards Ceremony in St. Petersburg
- 27.05.2018–
03.06.2018 2nd BRICS International Festival of Theatre Schools in Moscow
- 28.05.2018 Presentation of a joint project of Russian and Chinese composers in Beijing
- 29.05.2018–
30.05.2018 4th International Conference “Russia and China: Cooperation in a New Era” organized by the Russian International Affairs Council and the Chinese Academy of Social Sciences
- 30.05.2018 3rd Competition of Translators of Chinese Fiction into Russian in Moscow
- 31.05.2018–
03.06.2018 7th Zabaikalsky International Film Festival in Chita
- 01.06.2018 1st SCO Media Summit in Beijing
- 01.06.2018 Meeting between Director General of the Russia Today international news agency Dmitry Kiselyov and President of China Media Group Shen Haixiong in Moscow
- 05.06.2018 Opening of a joint project between TASS and the *Guangming Ribao* newspaper in Beijing
- 06.06.2018 Meeting between TASS Editor-in-Chief Maxim Filimonov and Xinhua News Agency Editor-in-Chief He Ping in Beijing
- 08.06.2018 Agreement on Cooperation between the Russian Academy of Sciences and the Chinese Academy of Sciences
- 09.06.2018 Launch of a quiz in China in honour of the visit of the President of the Russian Federation to Qingdao
- 17.06.2018 Event dedicated to tourism cooperation between the Russian and Chinese regions in Harbin
- 17.06.2018 Chinese film wins an award at the Andrey Tarkovsky International Film Festival in Ivanovo
- 18.06.2018 Dragon Boat Festival in Yekaterinburg
- 19.06.2018 Premiere of a Russian animated film at the Shanghai International Film Festival
- 21.06.2018 Meeting between the heads of the Russian Football Union, the Russian Premier League, the Chinese Football Association and the Chinese Super League

- 21.06.2018 Premier of the film *Coach* in China
- 25.06.2018 Russian film wins an award at the Shanghai International Film Festival
- 25.06.2018– 4th BRICS Young Diplomats Forum in Pretoria
28.06.2018
- 25.06.2018– Opening of the 9th Sino-Russian Culture Fair in Heihe
29.06.2018
- 28.06.2018– Opening of an exhibition of items from the Peterhof collection in Beijing
09.10.2018
- 05.07.2018 Launch of a series of contemporary Russian novels in Chinese in China
- 09.07.2018– 4th Summit of the Association of Sino-Russian Technical Universities (ASRTU)
13.07.2018 in Yekaterinburg
- 11.07.2018 1st Russia–China Forum on International Cooperation in Yekaterinburg
- 11.07.2018 Russian delegation meets with administrative committees in Beijing
- 11.07.2018 Signing of the Declaration on Increasing the Number of Student Exchanges
- 12.07.2018 Vice Rector of Ural Federal University meets with a Chinese delegation in Yekaterinburg
- 13.07.2018– Russian Cinema Festival in Beijing and Wuhan
28.07.2018
- 15.07.2018 5th Russia–China Congress on Large-Scale Sports Exchanges in Suifenhe
- 16.07.2018 International Russia–China Friendship Marathon in Mishan
- 19.07.2018 Book fair in honour of the 125th anniversary of the birth of Vladimir Mayakovsky in Beijing
- 19.07.2018– 31st International Young Physicists' Tournament in Beijing
26.08.2018
- 24.07.2018– Week of Russia–China youth cultural exchanges
31.07.2018
- 26.07.2018 Russian Federal Agency for Tourism's delegation visits Beijing
- 27.07.2018 Meeting of tour operators of the Chelyabinsk Region and the Heilongjiang province in Chelyabinsk
- 29.07.2018 Performance of the China Philharmonic Orchestra in Moscow
- 30.07.2018 "Night of Beijing" concert in St. Petersburg
- 03.08.2018– 6th Shanghai International Ballet Competition
11.08.2018
- 04.08.2018 Harley Days motor parade in St. Petersburg
- 07.08.2018 Chinese media representatives visit Karachay-Cherkessia

09.08.2018	International Festival of National Sports in Simferopol
13.08.2018	Agreement on Deepening Cooperation in the Field of Tangut Studies
14.08.2018	China purchases rights to broadcast a Russian television programme
16.08.2018	“Belt and Road” porcelain exhibition in Moscow
18.08.2018	“Planet Moscow 2018” photo contest in Moscow
21.08.2018	1 st group of Chinese students arrives in Yekaterinburg to study at the new institute
23.08.2018– 26.08.2018	25 th Beijing International Book Fair
23.08.2018– 30.08.2018	BRICS Film Festival in Durban
24.08.2018	RT master class on how to create panoramic video content in Moscow
25.08.2018	20 th Summer Diplomatic Games in the Moscow Region
25.08.2018	International folk-crafts festival “Axe Day” in Tomsk
29.08.2018	11 th Meeting of the Sub-Commission on Media Cooperation of the Russian–Chinese Commission for Humanitarian Cooperation in Rostov-on-Don
30.08.2018	Russian and Chinese scientists perform accurate measurement of the gravitational constant
10.09.2018	All-Russian Children’s Centre takes in children from Sichuan province
11.09.2018	Presentation of the book <i>30 Years of the Russian Journey: Systemic Choice and Fundamental Changes</i> in Beijing
11.09.2018	4 th Awards Ceremony for Contributions to the Development of Sinology in Shanghai
17.09.2018– 21.09.2018	China–Mongolia–Russia International Think-Tank Forum in Ulaanbaatar
25.09.2018	“Tourism in China through the Eyes of the Russian Media” research tour
26.09.2018– 27.09.2018	Education in the Perm Region Exhibition in China
26.09.2018	Introduction of the Chinese language Unified State Exam in Russia
26.09.2018	Jiangxi Academy of Sciences delegation visits Ufa State Petroleum Technological University
12.10.2018	3 rd Russia–China Hi-Tech Forum and Russian–Chinese Day of Science, Technology and Innovations in Harbin
15.10.2018	4 th Russia–China Art Festival “Multi-Coloured Autumn” in Suifenhe
20.10.2018– 21.10.2018	China International Education Exhibition in Beijing

- 23.10.2018 9th International Infoforum China conference in Shanghai
- 24.10.2018– 23rd International Academic Conference “China, Chinese Civilization and the World”
25.10.2018 in Moscow
- 25.10.2018 Round table at the Trade Mission of the Russian Federation in the People’s Republic of China in Beijing
- 30.10.2018 19th Session of the Russian–Chinese Commission for Humanitarian Cooperation in Beijing
- 30.10.2018 Deputy Prime Minister of the Russian Federation Tatyana Golikova delivers speech at Peking University
- 30.10.2018 Chinese theatre director Meng Jinghui awarded Russian medal
- 31.10.2018 Joint Arctic expedition of the Russian Federation and the People’s Republic of China comes to a close
- 04.11.2018 4th China–Russia Media Forum in Shanghai
- 09.11.2018– SCO Youth Assembly in Hainan province
12.11.2018
- 13.11.2018 Chinese Poetry Recital Competition in Moscow
- 16.11.2018 Evening of Culture “Russia–China–Tajikistan: A Space of Civilizational Dialogue” in Beijing
- 22.11.2018 Lomonosov Moscow State University and Heilongjiang University establish joint higher school of translation in Harbin
- 23.11.2018 Sino-Russian Association of Traditional Chinese Medicine founded in Moscow
- 23.11.2018– “2018: Discovering the Culture of Western China in Russia” project held in Moscow
25.11.2018 and St. Petersburg
- 11.12.2018 Order of Friendship of the Russian Federation presented to former Minister of Finance of the People’s Republic of China Lou Jiwei
- 11.12.2018 “Russian House” pavilion opened in Beijing
- 11.12.2018 Memorandum on Information Cooperation between MKR-Media and People’s Daily
- 17.12.2018 Presentation of Russian ice cream in Beijing
- 18.12.2018– Week of scientific and technical cooperation between the Russian Federation
24.12.2018 and the People’s Republic of China
- 09.01.2019 Discussion on the opening of a branch of the Russian Academy of Sciences in China
- 10.01.2019 Presentation of the book *Putin’s Great Diplomacy: Russia’s Foreign Strategy in the 21st Century* in Beijing
- 11.01.2019 Premiere of the film *How I Became a Russian* in China

- 18.01.2019 Launch of joint educational programmes by Far Eastern Federal University and Heilongjiang University
- 31.01.2019 “The Great Beauty of China” youth festival in Moscow
- 15.02.2019 Soviet volunteer pilots commemorated in Beijing
- 15.02.2019 Symposium on the 120th anniversary of the birth of Qu Qiubai in Moscow
- 19.02.2019 Launch of Russian language courses at the Russian Cultural Centre in Beijing
- 20.02.2019 Opening of the Russia–China Association of Tea Culture Exchange in Suifenhe
- 26.02.2019 Opening of joint engineering institute by Bauman Moscow State Technical University and Harbin Institute of Technology in Harbin
- 27.02.2019–
18.03.2019 “Aesthetics of Oriental Life” Exhibition in Moscow
- 27.02.2019 Meeting between TASS Director General Sergey Mikhailov and Xinhua President Cai Mingzhao in Beijing
- 05.03.2019 Memorandum on creation of “Land of Big Cats” wildlife reserve
- 12.03.2019 7th Russia–China Tourism Forum in Moscow
- 15.03.2019–
30.05.2019 “Treasures of the Imperial Palace of the Gugong” exhibition in Moscow
- 19.03.2019 Opening of a joint transport university in Shandong announced

About the Authors

Russian Side

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Chinese Side

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Russian International Affairs Council

Russian International Affairs Council (RIAC) is a non-profit international relations think-tank on a mission to provide policy recommendations for all Russian organizations involved in external affairs.

RIAC engages experts, statesmen and entrepreneurs in public discussions with an end to increase the efficiency of Russian foreign policy.

Along with research and analysis, the Russian Council is involved in educational activities to create a solid network of young global affairs and diplomacy experts.

RIAC is a player on the second-track and public diplomacy arena, contributing the Russian view to international debate on the pending issues of global development.

Members of RIAC are the thought leaders of Russia's foreign affairs community – among them diplomats, businessmen, scholars, public leaders, and journalists.

President of RIAC Igor Ivanov, Corresponding Member of the Russian Academy of Sciences, served as Minister of Foreign Affairs of the Russian Federation from 1998 to 2004 and Secretary of the Security Council from 2004 to 2007.

Director General of RIAC is Andrey Kortunov. From 1995 to 1997, Dr. Kortunov was Deputy Director of the Institute for US and Canadian Studies.

Institute of Far Eastern Studies of the Russian Academy of Sciences

The Institute of Far Eastern Studies (IFES) of the Russian Academy of Sciences (RAS) is a leading scientific research institution of the Russian Academy of Science. The institute conducts research work on fundamental problems and development of economy, history, foreign policy, philosophy and culture of China, Japan, Korea as well as international policy issues and economic integration in the Asia Pacific Region.

Since its establishment, the IFES RAS has become one of the largest research centers conducting integrated studies on the Northeast Asia problems, situation on the Korean Peninsula and relationship between Russia and the countries of the region.

The Institute of Far Eastern Studies continues the best traditions of over two hundred years of Russian oriental studies. Priority areas of its research activities are as follows: scientific support of a relationship program for Russia and its Far Eastern neighbours, development and security issues of the Northeast and Central Asia, studies on history, modern life, social and economic development and spheres of life of China, Japan, Democratic People's Republic of Korea and Republic of Korea.

The Institute is headed by Doctor of Sciences (History), Professor Sergey G. Luzyanin.

Fudan University

Fudan University was established in 1905 as Fudan Public School. It was the first institution of higher education to be founded by a Chinese person, renowned modern educator Ma Xiangbo. The school's name was chosen from the "Biography of Yuxia" in the Classic of History (《尚书大传 虞夏传》), where the two characters fù 复 ("return") and dàn 旦 ("dawn") are found in the famous lines "Brilliant are the sunshine and moonlight, again the morning glory after the night," signifying continuous self-renewal, and expressing the hope that China will become a country with a strong higher education system run by Chinese intellectuals.

Fudan University was merged with Shanghai Medical University in 2000, forming a new, stronger Fudan University with a broader set of disciplines: medicine, sciences, and arts.

As one of the first participants in the 211 and 985 Projects, Fudan has developed into a comprehensive research university, with Departments of Philosophy, Economics, Law, Education, Literature, History, Science, Engineering, Medicine, and Management.

Fudan University celebrated its 100th anniversary in 2005.



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